



## Audit and Governance Committee

**26 September 2024**

Title:	Appointment of Independent Member
Report of:	Matt Cumberbatch, Monitoring Officer
Lead Member:	Edna Murphy (Lead Member for Governance)
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	Simple majority

### Recommendations:

A	Comment on and agree to recommend to the CPCA Board that a new independent person is appointed to sit on Audit Committee for a period of four years which may be renewed up to a maximum of one further term (i.e. total maximum 8 years).
B	Recommend that the CPCA Board agrees to delegate to the Executive Director of Resources and the Monitoring Officer, in consultation with the Chair of the Audit and Governance Committee, authority to finalise the draft role description, skills, competencies and person specification attached as Appendix 1 and to approve the advert.
C	Recommend to the CPCA Board that the recruitment of the new Independent Member be led by a panel consisting of the Chairman of the Audit and Governance Committee and three members of the three main political parties of the committee supported by the Executive Director of Resources and the Monitoring Officer. Nominations for members of the committee be provided.
D	Following the recruitment process, a report to formally appoint the Independent Person will be presented to a future CPCA Board meeting

### Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

5	Achieving Best Value and High Performance
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### 1. Purpose

1.1	The purpose of the report is to request that the Audit and Governance Committee consider and approve to appoint a new independent person to the Audit and Governance Committee.
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1.2	<p>To suggest that the position of independent person be advertised on the Combined Authority's website, along with the website of each constituent authority, and publicised by way of press releases across the Combined Authority's area.</p> <p>To suggested that an appointment is made at a future meeting of the Audit and Governance Committee and endorsed at the meeting of the Combined Authority scheduled for March 2025.</p>
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## 2. Proposal

2.1	<p>To take a report to the CPCA Board to endorse the appointment of a new Independent Person to sit on the Audit and Governance Committee.</p> <p>A further report will be brought to this committee regarding the allowance that would be paid to the appointed independent person refollowing recommendations of the Independent remuneration panel and endorsement of the CPCA Board.</p>
2.2	<p>Following approval of the CPCA Board, the Executive Director of Resources and the Monitoring Officer, in consultation with the Chair of the Audit and Governance Committee will finalise the role description, skills, competencies and person specification. Following which an advertisement will be placed.</p> <p>The recruitment panel will convene and complete the recruitment, resulting in an appointment if there is a suitable candidate. The final stage would be that the Monitoring Officer will take are report to the CPCA Board to formally appoint the Independent Person.</p> <p>Audit Committees are a key component of corporate governance. They are a key source of assurance about the organisation's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and non-financial performance. Independent persons with appropriate skills and experience supplement those of the elected members and improve the effectiveness of the Audit Committee.</p> <p>The Independent Person would not have a vote in the same way as constituent authority appointed members do at committee and will be there in an advisory consultative manner. Suitably qualified and experienced independent member(s) serving on Audit Committees can also bring specialist knowledge and insight to the workings and deliberations of the committee which, when partnered with elected members' knowledge of working practices and procedures, ensure:</p> <ul style="list-style-type: none"> <li>• An effective independent assurance of the adequacy of the risk management framework.</li> <li>• Independent review of the Authority's financial and non-financial performance.</li> <li>• Independent challenge to and assurance over the Authority's internal control framework and wider governance processes.</li> <li>• Oversight of the financial reporting process.</li> </ul>

## 3. Background

3.1	<p>There is a requirement in The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 and the Constitution for the Audit and Governance Committee to have at least 1 member who is an independent person.</p> <p>The definition of an independent person is provided in the above Order :</p> <p>(a) Is not an existing member or co-opted member or officer of the combined authority;</p> <p>(b) Is not an existing member or co-opted member or officer of a constituent council or a parish council for any of the three constituent Authorities making up the Combined Authority</p> <p>(c) Is not a relative or close friend of a person within paragraph (a) or (b); and</p> <p>(d) Was not any anytime during the previous 5 years holding an appointment as follows - (i) A member, co-opted member or officer of the authority (CPCA); or (ii) A member, co-opted member or officer of a parish council for any of the seven constituent Authorities making up the Combined Authority</p> <p>In terms of making the appointment, the Order prescribes the requirement for the appointments to be made following the role being advertised in such a way as to bring the role to the attention of the public, applicants having made an application to fill the post and the appointment has been approved by the majority of the members of the combined authority. The process for selection and recruitment of the Independent Co-Opted member is the responsibility of the Audit Committee.</p>
3.2	<p>As members will be aware, this committee is chaired by an Independent Person whose term will come to an end in 2025. The CPCA Constitution prescribes that the Independent Member should be designated as Chair of the Audit and Governance Committee. Therefore, the request for an additional independent person is to ensure that there is planned succession, and that historic knowledge can be transferred to the additional independent person to ensure a smooth transition allowing sufficient time to familiarise themselves with the functions of this committee.</p>
3.3	<p>To assist in the recruitment a draft role profile is attached at appendix 1 setting out the responsibilities and duties of an independent person. This can be further refined prior to advertising the role to take account of comments made by Leaders. There are restrictions laid down in legislation on who may apply, and this will be included in the advertisement.</p>

## 4. Appendices

4.1	<i>Appendix 1- Draft Role Profile</i>
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## 5. Implications

### Financial Implications

5.1	No financial implication presently but there may be financial implication on the appointment of the member(s)
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### Legal Implications

6.1	The requirement to have an Audit Committee and to appoint at least one member as an independent person is set out in the Local Democracy, Economic Development and Construction Act 2009. The Combined Authorities (Overview and Scrutiny Committees Access to Information and Audit Committees) Order 2017 sets out the rules on how the decision should be made, the process for advertising the post and the restrictions related to the post. The appointment must be made by the Combined Authority Board.
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6.2	The purpose of this Committee is to give assurance as to the governance and sound financial management of the CPCA. This will likely be strengthened by including members who are independent from the Combined authority Board and scrutiny functions and who are suitably qualified with experience in the area of governance, audit, finance, regulation and compliance or risk management to provide specialist knowledge and insight.
6.3	Subject to adequate vetting procedures and adherence to the Person Specification, this initiative should augment the Audit Committee's independence, provide additional expertise, and provide an opportunity for the community to play an enhanced role in the governance of the CPCA.
Public Health Implications	
7.1	None directly
Environmental & Climate Change Implications	
8.1	None Directly
Other Significant Implications	
9.1	None Directly
Background Papers	
10.1	None