

Council – 4th November, 2024

Appointment of Independent Person

1. Summary of report

To request the Council to agree to the appointment of an Independent Person to the Audit Committee.

2. Recommendations

That Council confirms the appointment of Mr D Walsh as an Independent Member to the Audit Committee with immediate effect for a four-year Term of Office concluding at the end of the 2027/28 Municipal Year.

3. Report detail

3.1 Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high-level resource to support good governance and strong public financial management. The purpose of an audit committee is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing both internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place. The Council's audit committee should adopt a model that establishes the committee as independent and effective. The committee should:

- act as the principal, advisory function supporting those charged with governance;
- be independent of the decision making committees of the Council and include an independent member where not already required to do so by legislation;
- have clear rights of access to other committees/functions, for example, service committees, corporate risk management and other strategic groups; and
- be directly accountable to the authority's governing body.

3.2 Best practice dictates that governance, risk management and strong financial controls be embedded in the daily and regular business of an organisation. The existence of an audit committee does not remove responsibility from senior

managers, members and leaders, but provides an opportunity and resource to focus on these issues.

- 3.3 CIPFA considers that Audit Committees must also actively explore the appointment of at least one independent member to the Committee. This is in line with good practice to demonstrate good governance principles and independence from the executive and other political allegiances.

4. Recruitment Process

- 4.1 The independent person, subject to appointment by the Council, has been selected through a process of public advertisement, application and interview. At its meeting held on 25th September, 2024, Audit Committee considered and recommended Mr Walsh' appointment to Council,.

5.0 Legal Implications

- 5.1 Whilst Independent on Audit Committees is not a requirement, it is considered Best Practice by CIPFA.

- 5.2 All Independent Persons are required to sign a declaration to confirm that they have:

- a. received a copy of Walsall Metropolitan Borough Council's Code of Conduct for Members, currently in force and have been encouraged to read the same; and
- b. that in performing any of their functions as an Independent Member of Walsall Metropolitan Borough Council's Standards Committee they will observe and uphold the Code of Conduct for Members, currently in force and any subsequent Code of Conduct; and I understand that I will not be permitted, by operation of law, to act in such capacity, unless and until I have given this written declaration to the Council's Monitoring Officer.

- 5.2 Independent Persons are also asked to complete a declaration of interest form.

- 5.3 The term of office is for a period of 4 years but may be extended by Council.

6. Financial implications

- 6.1 Mr Walsh is entitled to a subsistence allowance of £750 per year which will be met from within existing budgets.

5. Equality implications

- 5.1 Arrangements for dealing with complaints will ensure that complaints are investigated impartially and fairly, which is to be of benefit to both the complainant and elected member or co-opted member.

Background papers

Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on the function and operation of audit committees; "Audit Committees in Local Authorities and Police, 2018 edition"

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A handwritten signature in black ink that reads "Anthony Cox". The signature is written in a cursive style and is centered on the page.

Signed: Anthony Cox

Director of Governance

Date: 25.10.24