

Council – 25th February, 2021

Appointment of Independent Persons

1. Summary of report

To request the Council to agree to the appointment of Independent Persons to the Standards Committee and Audit Committee.

2. Recommendations

That:-

- (1) Sureya Ajaz be appointed as an independent person on the Council's Audit and Standards Committee for a period of 4 years;
- (2) Deborah Mardner be appointed as an independent person on the Council's Standards Committee for a period of 4 years;
- (3) Carl Magness be appointed as an independent person on the Council's Standards Committee for a period of 4 years; and
- (4) Council notes that Independent Persons (Standards) shall be paid an allowance of £750.00 per annum.

3. Report detail

Standards

- 3.1 The Localism Act 2011 was enacted on 15th November 2011 and amongst its provisions was the repeal of the existing standards regime as set out in the Local Government Act 2000. This included amongst other changes, the abolition of the Standards Board for England and the existing arrangements for local investigation and determination of complaints and the requirement for independent members on Standards Committees.
- 3.2 The Localism Act 2011 requires the authority to have in place arrangements under which allegations of a breach of the Code can be investigated and decisions made in respect of such allegations. The arrangements require the authority to appoint at least one independent person, whose views are to be sought and taken into account by the authority before it makes its decision on an allegation that it has decided to investigate. The views of the independent person may be sought by a member if that member's behaviour is the subject of an allegation.

Audit

- 3.3 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.

3.4 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.

3.5 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 persons, subject to appointment by the Council, have been selected through a process of public advertisement, application and interview by the Monitoring Officer and Interim Director of Interim Director of Finance, Corporate Performance Management and Corporate Landlord.

5.0 Legal Implications

5.1 The Council is required under the Localism Act 2011 to appoint an independent person in order that the Monitoring Officer may consult with them before it makes its decision on an allegation that it has decided to investigate.

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

5.3 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 There will be a cost to the Council in reimbursing Independent Members reasonable out of pocket expenses such as travelling/subsistence/other related expenses. These are difficult to quantify in advance and will be dependent on the level of activity of the Standards Committee.

6.2 To ensure that the Council attracts high quality candidate whilst recognising the complexity of the role, Standards Committee agreed that an allowance for members of the Standards Committee should be paid. Following a review of a number of Councils, the Chair of Standards Committee agreed that an allowance of £750.00 plus reasonable expenses be paid.

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, reading "Anthony Cox". The signature is written in a cursive style with a large initial 'A' and a long, sweeping tail on the 'y'.

Signed: Anthony Cox

Director of Governance

Date: 11/02/21