



Combined Authority Board	Agenda Item
20 September 2023	14d

Title:	Appointment of Independent Person
Report of:	Edwina Adefehinti, Interim Chief Officer Legal and Governance and Monitoring Officer
Lead Member:	Edna Murphy (Lead Member for Governance)
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	By a majority of voting members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor.

Recommendations:

A	Comment on and agree that an additional independent person is appointed to sit on Audit Committee for a period of four years
B	Approve the amendments to chapter 13 of the constitution as set out below: 13.4.1. The Combined Authority Board shall decide the size and membership of the Audit and Governance Committee and shall include at least one Independent Person. 13.5.2. One of the Independent Persons (if more than one) shall be designated as Chair of the Audit and Governance Committee. If no more than one Independent Person is appointed , the sole Independent Person shall be designated as the Chair of the Audit & Governance Committee.
C	Delegate to the Executive Director of Resources and Performance and the Monitoring Officer, in consultation with the Chair of the Audit and Governance Committee, authority to finalise the role description, skills, competencies and person specification attached as Appendix A and to approve the advert.
D	Agree that the recruitment of the Independent Person 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 Audit and Governance committee supported by the Executive Director of Resources and Performance and the Monitoring Officer.
E	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

1. Purpose

1.1	The purpose of the report is to request that the Combined Authority Board consider and approve to appoint an additional independent person to the Audit and Governance Committee.
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2. Proposal

2.1	To seek approval to appoint an additional independent person to sit on the Audit and Governance Committee
2.2	<p>Following approval of the CPCA Board, the Executive Director of Resources and Performance 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. The final stage would be that the Monitoring Officer will take a 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">• An effective independent assurance of the adequacy of the risk management framework.• Independent review of the Authority's financial and non-financial performance.• Independent challenge to and assurance over the Authority's internal control framework and wider governance processes.• Oversight of the financial reporting process.

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 & 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> <ol style="list-style-type: none">(a) Is not an existing member or co-opted member or officer of the combined authority;(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(c) Is not a relative or close friend of a person within paragraph (a) or (b); and(d) Was not any anytime during the previous 5 years holding an appointment as follows –<ol style="list-style-type: none">i) A member, co-opted member or officer of the authority (CPCA); orii) A member, co-opted member or officer of a parish council for any of the seven constituent Authorities making up the Combined Authority <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, the Audit & Governance committee is chaired by an Independent Person whose term of service is due to expire soon. The CPCA Constitution currently prescribes that the Independent Member should be designated as Chair of the Audit and Governance Committee, however the Combined Authority Board is being asked to approve amendments to the Constitutions as drafted above</p>

	The request for an additional independent person is to ensure that there is an opportunity for 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 the Audit & Governance committee.
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4. Appendices

4.1	Appendix A – Role Profile – Independent Person of the Audit and Governance Committee
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5. Implications

Financial Implications

5.1	There may be financial implications regarding the appointment of the second Independent Person on the Audit & Governance Committee, which will depend on the recommendations of the Independent Remuneration Panel.
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Legal Implications

6.1	The purpose of the Audit & Governance Committee is to give assurance as to the governance and sound financial management of the Council. 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.
6.2	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 Council.
6.3	The Combined Authority Board is responsible under the constitution, Chapter 4, Rule 4.3.12 for Decisions related to Establishment and membership of Committees and Sub-Committees.
6.4	An independent person appointed through an open advertisement would be subject to a review of potential remuneration by the Independent Remuneration Panel.

Public Health Implications

7.1	None directly
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Environmental & Climate Change Implications

8.1	None Directly
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Other Significant Implications

9.1	None Directly
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Background Papers

10.1	None
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