

## Full Council 24<sup>th</sup> November 2022

<b>Report Title</b>	<b>Appointment of Independent Person (Audit and Governance Committee)</b>
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<b>Key Decision</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Are there public sector equality duty implications?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972</b>	

### 1. Purpose of Report

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- 1.1. This report seeks approval to appoint Mr Michael Whitworth as an Independent Person to the Audit and Governance Committee, which is a key component of corporate governance. The Audit and Governance Committee is a key source of assurance for managing risk, maintaining an effective control environment, providing independent scrutiny of the Council's financial and non-financial performance and oversee the Council's financial reporting process. An independent person with appropriate skills and experience will supplement those of the elected members.

### 2. Executive Summary

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- 2.1 The Council's Constitution states that up to three Independent Persons should be appointed to the Audit and Governance Committee, determined by Full Council, with full voting rights, for a term of 4 years, from the date of appointment by Full Council.

### 3. Recommendation

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- 3.1 It is recommended that the Council –
- (i) ratify the appointment of Mr Michael Whitworth, as an Independent Person to the Audit and Governance Committee, for a term of 4 years, from the date of appointment by Full Council, ending on 30 November 2026.

*Reason for recommendation – to ensure that the provisions contained in the Council's Constitution for the appointment of Independent Persons to the Audit and Governance Committee are satisfied.*

#### **4. Report Background**

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- 4.1 The Chartered Institute for Public Finances and Accountancy (CIPFA) recommend that local authorities should include at least two co-opted Independent Members as part of their Audit Committees. The Redmond Review which was an independent review into the oversight of local audit and the transparency of local authority financial reporting, also recommended that local authorities appoint at least one suitably qualified Independent Member to Audit Committees. In July 2021, the Committee considered the findings of the Redmond Review and noted this reference.
- 4.2 The Audit and Governance Committee is made up of ten Councillors and has positions for three Independent Persons. It acts as an advisory committee to the Council and the Executive on audit and governance issues. There are also six Substitute Councillors who can attend on behalf of Full Members, if required.
- 4.3 North Northamptonshire Council is committed to the highest standards of governance and accountability. The positions of Independent Persons are key towards helping this Council meet those aspirations and make a significant contribution to public life and confidence in the Council by holding the authority to account and make a difference in the right way.
- 4.4 The appointment of an Independent Person to the Audit and Governance Committee, aids good practice and demonstrates good governance principles. A suitably qualified individual brings knowledge and insight to the workings, findings and decision making of the Audit and Governance Committee. It also brings the benefit of having an individual who is independent of the Council.
- 4.5 The tasks and responsibilities of an Independent Person include reading and review of Financial statements, Internal Audit Reports and External Audit Reports; and other evidence of the Council's risk management and internal control system; Attend training events relevant to the role as necessary; Bring an independent and objective approach to all business of the Committee; Offer constructive challenge and consider significant issues arising from internal and external audits.
- 4.6 An allowance would be paid to the Independent Person for attendance at meetings of the Audit and Governance Committee, as determined by the Independent Remuneration Panel (IRP) - Members' Allowances 2022, plus mileage costs.
- 4.7 The position of an Independent Person is subject to the Council's Code of Conduct and is a politically restricted post.
- 4.8 The Independent Person has voting rights in the same way as Members of the Audit and Governance Committee, would be part of that Committee, and be subject to any relevant training undertaken by Members of the Committee.

- 4.9 During 2021/22, advertising to recruit to the three vacant positions of Independent Persons on the Audit and Governance Committee was undertaken on two separate occasions. This resulted in interviews taking place and candidates met with the Chair of the Audit and Governance Committee, Councillor Andrew Weatherill and the Executive Director of Finance (Section 151 Officer). One suitable candidate, Mr Michael Whitworth, has been offered a position, subject to ratification by Full Council. There are still two vacancies which need to be filled and further thoughts are being considered on the independent recruitment and skills gap.

## **5. Issues and Choices**

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- 5.1 Full Council is being requested to approve the appointment of Michael Whitworth to the Audit and Governance Committee.
- 5.2 Mr Whitworth is a resident of North Northamptonshire with considerable experience of working within the private sector.

## **6. Implications (including financial implications)**

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### **6.1 Resources and Financial**

- 6.1.1 Any costs associated to an Independent Member are contained within the existing revenue service budget, as determined by the Independent Remuneration Panel (IRP) - Members' Allowances 2022.

### **6.2 Legal & Governance**

- 6.2.1 The appointment of an Independent Person with full voting rights gives assurance to elected members and the public in relation to audit and governance and promotes good governance and scrutiny of the Audit and Governance Committee.

### **6.3 Relevant Policies and Plans**

- 6.3.1 Under Part 4.5 of the Council's Constitution allowance is made for the appointment of up to 3 Independent Persons on the Audit and Governance Committee. These Persons have full voting rights under the Constitution.

### **6.4 Risk**

- 6.4.1 There are no significant risks arising from the proposed recommendation.

### **6.5 Consultation**

- 6.5.1 The Audit and Governance Committee are aware of the need to appoint Independent Persons to the Committee and have been advised of the offer of appointment to Mr Whitworth, subject to ratification by Full Council.

### **6.6 Consideration by Scrutiny**

- 6.6.1 Not applicable.

### **6.7 Consideration by Executive Advisory Panel**

6.7.1 Not applicable.

## 6.8 **Equality Implications**

6.8.1 None in relation to the nine protected characteristics under the Equality Act 2010.

## 6.9 **Climate Impact**

6.9.1 Not applicable.

## 6.10 **Community Impact**

6.10.1 Not applicable.

## 6.11 **Crime and Disorder Impact**

6.11.1 Not applicable.

## **7. Background Papers**

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7.1 Council Constitution Part 4.5 – Audit and Governance Committee.