



REPORT TO: Civic Affairs Committee

5 October 2023

LEAD OFFICERS: Head of Internal Audit

Head of Finance

Deputy Head of Legal practice / Monitoring Officer

Independent Member

Executive summary

1. This report has been produced to progress the appointment of an independent member, who are neither a Council elected member or an officer, to the Audit and Corporate Governance Committee.
2. Recent guidance from professional bodies have reinforced the benefits associated with independent members and recommended that Councils appoint them.
3. The Audit and Corporate Governance Committee considered this at the [meeting on 26 July 2023](#). It was agreed to proceed and recommend this is reviewed at Civic Affairs Committee as it is a constitutional change.
4. The Civic Affairs Committee considered this at the [meeting on 12 September 2023](#). It was agreed to proceed and recommend this is approved by Full Council so the Constitution can be updated.
5. Full Council considered this at the [meeting on 05 October 2023](#). Full Council approved the appointment of an Independent Member with the amendment that they must be a 'resident of Cambridgeshire'. Council agreed that officers would propose a definition of residents.
6. This report provides the definition of a resident.
7. The proposed changes to the Constitution are included in Appendix C for ease of reference.

Key Decision

8. This is not a key decision because this it does not fall within the Constitutional definition of a Key Decision.

Recommendations

9. Council changes the Constitution to allow the appointment of an Independent Member to the Audit and Corporate Governance Committee, noting that they should:
 - (a) not have voting rights;
 - (b) be a resident of Cambridgeshire area; and
 - (c) the recruitment process to be delegated to the Audit & Corporate Governance Committee
10. The Audit & Corporate Governance Committee be authorised to make the necessary arrangements to recruit and select the Independent Member as per the suggested constitutional additions in Appendix C.

Reasons for Recommendations

11. Appointing an Independent Member would help the Committee follow best practice set out by the Chartered Institute of Public Finance and Accountancy (CIPFA). This has been recommended by both Audit & Corporate Governance and the Civic Affairs Committee.

Details

12. The Audit and Corporate Governance Committee is a key component of the Council's corporate governance framework. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
13. The purpose of the committee is to provide independent assurance, to the members, of the adequacy of the risk management framework and the internal control environment. It provides independent review of the governance, risk management and control frameworks; and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
14. Audit & Corporate Governance Committee, Civic Affairs Committee, and full Council have reviewed the options and recommend appointment of a single Independent Member.
15. At full Council it was agreed the Independent Member should be a resident of Cambridgeshire, and Officers should provide a definition of "resident".
16. Officers have considered the definition by researching various examples, which include:

Reference	Definition
Cambridge English Dictionary	a person who lives or has their home in a place
Dictionary.com	a person who resides in a place
Google	a person who lives somewhere permanently or on a long-term basis

17. Officers have established that it is not possible to establish one single consistent definition of "resident". This gives us the flexibility to define the term ourselves. It is proposed that the definition for this purpose should be: "a person who lives or has their home in Cambridgeshire".

Options

18. The options are to:
 - (a) Agree Officers proposed definition of the term Resident; or
 - (b) Propose a different definition of the term Resident.This will enable officers to commence the process for appointing an Independent Member with powers as set out in the appendices which are based on best practice guidance.

Implications

19. In the writing of this report, the following implications have been considered:

Policy

20. The Council's Audit and Corporate Governance Committee, or Civic Affairs Committee, does not currently have arrangements to appoint independent members. If an independent appointment was recommended, then changes to the constitution would be necessary following approval by Council.

Legal

21. The Council's Audit and Corporate Governance Committee is defined by the Local Government Act 2000 and its purpose is to give assurance to elected members and the public about the governance, financial reporting and performance of the Council. The appointment of independent members on the committee will assist and promote good governance and scrutiny of the committee. If committee decides to recommend the appointment an independent member, then this would require a constitutional change and the matter will need to go to full Council for approval.

Financial

22. It is usual practice to provide some form of payment to the lay committee members and to pay expenses for attending meetings for 2022/23 the allowance was £1,163. The allowance recognises the value and time contributed by the member. If an independent member is appointed as the committee chair, an additional sum would be appropriate. There will also be recruitment costs.

Risks / Opportunities

23. There is a risk that it will prove difficult to make an appointment and to ensure that any appointment made is a suitable member. There will need to be a clear person specification that draws out the attributes that the Council would be looking for the person to possess and to guide the recruitment panel in the selection process.

Background Papers

24. Background papers used in the preparation of this report:

- Audit & Corporate Governance Committee Terms of Reference

Appendices

25. Appendices to this report include:

- Appendix A – Role Description
- Appendix B – Proposed changes to the Constitution

Report Authors:

Jonathan Tully – Head of Internal Audit

Peter Maddock – Head of Finance

John Murphy – Deputy Head of Legal practice / Monitoring Officer