

**COUNCIL
26 MAY 2022**

***PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: APPOINTMENT OF INDEPENDENT MEMBER TO THE FINANCE,
AUDIT AND RISK COMMITTEE**

REPORT OF: *Service Director: Resources*

EXECUTIVE MEMBER: *Non-Executive*

COUNCIL PRIORITY: SUSTAINABILITY

1. EXECUTIVE SUMMARY

In November 2021, it was approved that North Herts Council should have an Independent Member of the Finance, Audit and Risk Committee ("Audit Committee"). The recruitment and selection process has now been carried out and it is recommended that John Cannon is appointed to the role.

2. RECOMMENDATIONS

- 2.1. That John Cannon is appointed as the Independent Member for Finance, Audit and Risk Committee, subject to final administrative arrangements being completed.

3. REASONS FOR RECOMMENDATIONS

- 3.1. *Following a recruitment and selection process, he was determined to be the best candidate. He fully met all the criteria for the role.*

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. *None. Council have made the decision to have an Independent Member of the Committee, and he was found to be the best candidate.*

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. *Cllr Keith Hoskins (Chair of Finance, Audit and Risk Committee for 2021/22) was part of the interview panel.*

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

7.1. *At the Council meeting in November 2021, it was resolved that:*

2.1. That Council agrees to there being an independent person on the Finance, Audit and Risk (FAR) Committee.

2.2. That Council instructs the Service Director: Legal and Community to make the required changes to the constitution.

2.3. That the Service Director: Resources is instructed to recruit to the position, in consultation with the Chair of the Finance, Audit and Risk Committee.

2.4. That the IRP be asked to consider an appropriate allowance for this role as part of their consideration of Members Allowances.

7.2 The amendments were made to the FAR Committee's terms of reference (under section 10.1.2(b)) following the Council meeting; and the allowance for the role was set at the January 2022 meeting of Council as part of the report on Councillors Allowances.

8. RELEVANT CONSIDERATIONS

8.1. A role description (see Appendix A), person specification (see Appendix B) and advert for the role were created, using advice from other local Councils that had recruited to similar roles. The role was advertised in late March/ early April.

8.2. Eight applications were received, of which four were shortlisted for interview. The interviews took place in late April with an interview panel made up of the Service Director: Resources, Service Director: Legal and Community, and the Chair of Finance, Audit and Risk Committee.

8.3. The panel were impressed by all the applicants, and agreed that John Cannon was the best candidate.

8.4. Mr Cannon works for a firm that undertakes Statutory Audits and also carries out Local Authority audits via the Public Sector Audit Appointments (PSAA) appointing arrangements. It is not the firm that currently audits the Council's accounts. Mr Cannon also works in a part of the business that is not linked to Local Authority work or to Local Authority audits. However, Mr Cannon and his employer have sought approval that he can carry out the Independent Member role, which has been granted. This has taken some time. As part of the process, the Council has confirmed the following:

- The independent member will be non-voting and will not be the Chair.
- The Council is aware that the Independent Member is acting in a personal (not a professional) capacity.
- The meetings of FAR are mainly in public and they only very rarely consider part 2 items. If there were part 2 discussions then the Chair of FAR, the Chief Finance Officer, the Monitoring Officer and Mr Cannon would consider whether it was appropriate for him to be involved. The term of appointment is for 4 years, with a review after 2 years.

- 8.5. At the time of writing this report, there were still some administrative arrangements to finalise (e.g. receipt of the DBS check). The final confirmation of appointment to the role will be subject to those being completed.

9. LEGAL IMPLICATIONS

- 9.1 The Council's Finance, Audit and Risk Committee is established further to the Local Government Acts 1972 and 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 a non-voting independent member on the committee will assist and promote good governance and scrutiny of the committee.

- 9.1. *The Terms of Reference for Council include* “appointing committees of the Council and agreeing and/or amending the terms of reference of any committees or other bodies appointed by the Full Council deciding on their composition and making appointments to them” (Constitution 4.4 (g)).

10. FINANCIAL IMPLICATIONS

- 10.1. There are no direct financial implications arising from this decision.

11. RISK IMPLICATIONS

- 11.1 The intention of this appointment is to strengthen the role of the FAR committee, which would improve governance and reduce risk. A recruitment process has been followed to help ensure a suitable person is appointed to the role.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no direct equalities implications arising from this decision. Even though not strictly required, the standard Human Resources processes were followed in appointing to the role.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this decision.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no significant HR implications arising from this report. There will be additional work for the Service Director: Resources in arranging training, although this is reduced

as the successful candidate already has strong relevant knowledge and expertise.

16. APPENDICES

16.1 *Appendix A: Role Description*

16.2 Appendix B: Person Specification

17. CONTACT OFFICERS

17.1 Ian Couper, Service Director: Resources, ian.couper@north-herts.gov.uk; ext 4243

17.2 Jeanette Thompson, Service Director: Legal and Community, jeanette.thompson@north-herts.gov.uk; ext 4370

17.3 Reuben Ayavoo, Policy and Communities Manager, reuben.ayavoo@north-herts.gov.uk; ext 4212

17.4 Rebecca Webb, HR Services Manager, rebecca.webb@north-herts.gov.uk; ext 4481

18. BACKGROUND PAPERS

18.1 *Council report, November 2021* [Council Report Nov 21 Independent Member FAR \(north-herts.gov.uk\)](http://north-herts.gov.uk/Council_Report_Nov_21_Independent_Member_FAR)