

Report to Audit Committee

2024/25 Independent Member Recruitment - Progress Report

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Value for Money and Sustainability

Officer Contact: Sarah Johnston – Director of Finance

Report Author: Sarah Johnston – Director of Finance

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Reason for Decision

In its publication *Audit committees: practical guidance for local authorities and police*, the Chartered Institute of Public Finance and Accountancy (CIPFA) recommends that Local Authority Audit Committees should seek to appoint two suitably qualified and experienced independent (lay) members to support Elected Members in fulfilling their role as set out in the Committee's Terms of Reference.

Oldham currently has one independent member serving as Chair to the Committee, Mr Grenville Page, since March 2023.

This report provides Members with an update on the recruitment of a second independent (lay) member of the Audit Committee to support the Committee's work.

Executive Summary

Prior to the appointment of Mr Page as Independent Chair of the Audit Committee, the Committee operated for a time without an independent member during 2021 and 2022 until Mr Page was appointed in March 2023.

The Authority has subsequently gone through a further two rounds of recruitment for the role of second independent member.

The first recruitment round took place during March/April 2024. This round produced a number of applications from qualified individuals. However, bearing in mind the advice by CIPFA that:

“...two co-opted members rather than one will allow recruitment of members with different but complementary knowledge and experience”

Officers, in discussion and agreement with the Chair, undertook a further, more targeted, recruitment round in an effort to broaden the knowledge and expertise available to the committee.

This round of recruitment was, however, overtaken by an ongoing Council wide recruitment freeze and subsequent call for applications for voluntary redundancy from staff across the Authority.

The recruitment of a second independent member has, alongside other avoidable expenditure, been suspended for the time being.

Recommendation

Members are requested to consider the report.

Independent Member Recruitment - Progress Report

1. Background

- 1.1 In its publication Audit committees: practical guidance for local authorities and police, the Chartered Institute of Public Finance and Accountancy (CIPFA) states:

“A co-opted independent or lay member is a committee member who is not an elected representative but recruited to join the committee. The objective of including such members is to increase the knowledge and experience base of the committee, reinforcing its independence. Inclusion of lay members is a legislative requirement for authorities in Wales and for combined authorities in England. Where there is no requirement to, CIPFA recommends the committee includes two co-opted independent members.”

Therefore, whilst it is a requirement for bodies such as GMCA to have three lay members on its Audit Committee, it is not a legal or regulatory requirement for Local Authorities in England to have any independent members, though it is recommended good practice to do so.

- 1.2 Oldham currently has one independent member serving as Chair to the Committee, Mr Grenville Page, since March 2023.

- 1.3 The main content of the report is structured as follows:

- Section 2: Update on recent recruitment exercises.
- Section 3: Comparison with other GM Authorities
- Section 4: Planned way forward

2 Update on recent recruitment exercises

- 2.1 Prior to the appointment of Mr Page as Independent Chair of the Audit Committee, the Committee operated for a time without an independent member during 2021 and 2022 until Mr Page joined in March 2023. This absence of an independent member for a period of time was primarily due to a failure to generate interest from suitably experienced and qualified individuals to undertake the role.

- 2.2 The Authority has subsequently gone through a further two rounds of recruitment for the role of second independent member.

- 2.3 The first recruitment round took place during March/April 2024. This round produced a number of applications from qualified individuals. The suitable applicants having backgrounds primarily in the Audit sphere. The current Chair, Mr. Page already brings significant experience gained in both Audit and Governance to the Committee and, bearing in mind the advice by CIPFA, that:

“...two co-opted members rather than one will allow recruitment of members with different but complementary knowledge and experience”.

Officers, in discussion and agreement with the Chair, undertook a further, more targeted, recruitment round in an effort to broaden the knowledge and expertise available to the committee. This round of recruitment was, however, overtaken by an ongoing Council wide recruitment freeze and subsequent call for applications for voluntary redundancy from staff across the Authority.

- 2.4 The recruitment of a second independent member has, alongside other avoidable recruitment, currently been suspended for the time being.

3. Comparison with other GM Authorities

- 3.1 The table below shows the total number of Audit Committee Members, and number of lay members, at each GM Authority, including GMCA, as of November 2024.

Authority	Total Membership	Lay membership
Bury	9	0
Bolton	7	0
Oldham	10	1
Salford	8	1
Stockport	7	1
Trafford	10	1
Wigan	9	1
Manchester	7	2
Rochdale	11	2
Tameside	9	2
GMCA	9	3
Average (inc. GMCA)	8.73	1.27
Average (exc. GMCA)	8.70	1.10

- 3.2 From the table above Members will note that, whilst Oldham has been only partially successful to date in attracting interest from suitably qualified and experienced applicants, the Council has fared better than some other Authorities currently without lay member support. Oldham is in line with the majority of Council's across GM in currently having one lay member.

4 Planned way forward

- 4.1 The Council is currently committed to reducing as far as possible any and all non-essential expenditure to meet its financial challenges, regardless of the nature of the expenditure.
- 4.2 A recruitment panel is currently in place to review all proposed recruitment. The Director of Finance sits on this panel. Only essential recruitment is currently being approved.
- 4.3 The Council is also currently in the process of seeking and assessing applications for voluntary redundancy from staff to meet its financial challenges going forward. This exercise is ongoing and, should it result in insufficient financial savings, compulsory redundancy options may be explored.
- 4.4 As a result, the recruitment of a second independent member has, alongside other avoidable recruitment, been suspended for the time being.
- 4.5 The Director of Finance will monitor the Council's ongoing financial challenges and, when circumstances allow, seek to recruit a second independent member to support the Committee at the earliest opportunity.
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5 Options/Alternatives

5.1 The Audit Committee can either:

- a) choose to accept and note the report; or,
- b) decline to accept and note the report and suggest an alternative approach.

6 Preferred Option

6.1 The preferred option is that the Audit Committee accepts and notes the report..

7 Consultation

7.1 N/A.

8 Financial Implications

8.1 N/A.

9 Legal Services Comments

9.1 N/A.

10 Co-operative Agenda

10.1 N/A.

11 Human Resources Comments

11.1 N/A.

12 Risk Assessments

12.1 N/A

13 IT Implications

13.1 N/A.

14 Property Implications

14.1 N/A.

15 Procurement Implications

15.1 N/A.

16 Environmental and Health & Safety Implications

16.1 N/A.

17 Equity, Community Cohesion and Crime Implication

17.1 N/A.

18 Equality Impact Assessment Completed

18.1 No.

19 Forward Plan Reference

19.1 N/A.

20 Key Decision

20.1 No.

21 Background Papers

21.1 N/A

22 Appendices

22.1 N/A
