MIDDLESBROUGH COUNCIL	

Report of:	Corporate Director of Finance (S151 Officer) – Andrew Humble Corporate Director of Legal and Corporate Services (Monitoring Officer) – Charlotte Benjamin

Submitted to:	Audit Committee

Date:	23 July 2026

Title:	Role and Recruitment of an Independent Person for Audit Committee

Report for:	Decision

Status:	Public

Council Plan priority:	Delivering Best Value

Proposed decision(s)

That the Audit Committee:

- **NOTES** the planned approach to the co-option of up to two non-voting independent (i.e. non-councillor) persons for the Audit Committee, in accordance with the planned approach outlined in this report.
- **DELEGATES** authority to the S151 Officer, following consultation with the Monitoring Officer and Chair and Vice Chair of the Committee, to agree a final specification for the role.
- **NOTES** that the final appointment of any successful candidates will be a decision for Full Council.

Executive summary

For several years, the practice of appointing Independent Persons to the Audit Committee has been best practice to maintain good governance within a local authority. The Council has had provision in place for this to occur but has not attempted to recruit to these places, following past failed recruitment attempts. Under new legislation, this will become a statutory requirement once enacted when Parliament implements Regulations to make the requirements a legal obligation.

The review of effectiveness of the Audit Committee, undertaken by the Local Government Association in July 2025, also highlighted the benefits of appointing Independent Persons and recommended that this was considered further.

This report outlines a proposal to recruit two Independent Persons and outlines a process to be followed.

1. Purpose

1.1 To enable Members to consider the appointment of Independent Persons to the Audit Committee and confirm the outline recruitment process and role description.

2. Recommendations

2.1 That the Audit Committee:

- **NOTES** the planned approach to the co-option of up to two non-voting Independent (i.e. non-councillor) Persons for the Audit Committee, in accordance with the planned approach outlined in this report.
- **DELEGATES** authority to the S151 Officer, following consultation with the Monitoring Officer and Chair and Vice Chair of the Committee, to agree a final specification for the role.
- **NOTES** that the final appointment of any successful candidates will be a decision for Full Council.

3. Background and relevant information

3.1 The Audit Committee's purpose is to provide an independent and high-level focus on the arrangements for governance, risk, accounting, and control at the Council. The Committee's role is to ensure that there is sufficient assurance over these aspects and gives confidence that the arrangements in place are effective.

3.2 CIPFA (the Chartered Institute of Public Finance and Accountancy) best practice previously advised that Audit Committees should actively explore the appointment of at least one Independent Person to the Committee. This is to demonstrate good governance principles and independence from the Executive and other political allegiances. It also brings into the Committee a specialist skill set which may not exist within these meetings at present.

3.3 The review of the effectiveness of the Audit Committee at Middlesbrough was undertaken by the Local Government Association and presented to Members on 31 July 2025, also recommended that two Independent (non-Councillor) Persons should be co-opted to the Committee on an appropriate level of remuneration. This recommendation was agreed in principle by the Committee and included in its annual report to Full Council in October 2025 where it was endorsed.

3.4 In the interim, recent legislation, the English Devolution and Community Empowerment Act 2026 will mandate that local authorities and combined authorities establish formal audit committees once the necessary regulations have been passed to make this provision live.

3.5 The current version of the Council Constitution (section 10.7.2) has specific provision about this, setting out that the Council may co-opt up to two Independent Persons to the Audit Committee.

3.6 Good practice shows that the appointment of an Independent Person is beneficial to Audit Committees. The injection of an external view can often bring a new and constructive approach to committee discussions. Authorities that have chosen to recruit Independent Persons have done so for several reasons:

- To bring additional knowledge and expertise to the committee.
- To reinforce the political neutrality and independence of the committee, and
- To maintain continuity of committee membership where membership is affected by the electoral cycle.

3.7 The Independent Panel for Members Remuneration considered the issue of an Independent Person for audit earlier this year, in view of the expected legislative requirement, and what level of payment should be recommended.

3.8 The Panel was advised that Independent Persons of the Audit Committee would likely be specialists in audit or finance fields and would be providing the Committee with detailed technical advice. As part of the data collection from the cohort of 16 Councils, the Panel found that, on average, amounts ranged from approximately £600 to £1,000 per annum (for those that paid an allowance). Considering this, and the need to appoint a person with the appropriate skill set, the Panel felt that an annual payment of £800 would be appropriate. This recommendation was approved by the Council.

The Recruitment Process

3.9 It is proposed that the Committee now supports officers seeking to co-opt up to two Independent Persons.

3.10 A suggested role profile for an Independent Person is set out at Appendix 1. This is based on the skills, knowledge, and experience required from the role and has been compiled based upon several similar profiles already approved by other local authority audit committees.

3.11 There will be an assessment process undertaken by the Monitoring Officer and Section 151 Officer of applicants. Any successful candidate(s) would need approval by Full Council. If there are more appointable candidates than roles available, Full Council will be invited to vote on the appointments and will be supported by recommendations from the Section 151 Officer and the Monitoring Officer.

4. Other potential alternative(s) and why these have not been recommended

4.1 Members could consider not supporting the appointment of Independent Persons to the Committee, but this would be contrary to both the forthcoming statutory requirement, the agreed composition of the Committee as determined at the May 2026 Council Annual Meeting and best practice.

5. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including Social Value)	The Independent Panel on Member Remuneration recommended to the Council that the role of an Independent Person on Audit Committee should be £800 per annum. As there is provision for two of these in the Constitution, the total cost would be £1,600 per municipal year going forwards.
Procurement	No applicable issues for this report.
Legal	The recent English Devolution and Community Empowerment Act highlighted in the report sets out that it will be a mandatory requirement to have an Independent Person as part of the membership of audit committees, once the necessary regulations are enacted to make this requirement a live legal obligation.
Risk	The appointment of Independent Persons to the Committee is seen as best practice in terms of good governance and minimising the levels of risk facing the organisation.
Human Rights, Public Sector Equality Duty and Community Cohesion	No applicable issues for this report.
Reducing poverty	No applicable issues for this report.
Climate Change / Environmental	No applicable issues for this report.
Children and Young People Cared for by the Authority and Care Leavers	No applicable issues for this report.
Data Protection	No applicable issues for this report.

Appendices

1	Independent Person suggested role profile

Background papers

Body	Report title	Date
Audit Committee	Review of the Effectiveness of Audit Committee – Final Report, Recommendations, and Next Steps.	31 July 2025

Full Council	Audit Committee Annual Report	15 October 2025
Full Council	Committee Committees – Establishment – Terms of Reference – Allocation of Places – Memberships – 2026-2027	20 May 2026

Contact: Justin Weston, Head of Corporate Finance (Deputy S151 Officer)
Email: justin_weston@middlesbrough.gov.uk