

 <p>WMFRA West Midlands Fire and Rescue Authority</p>	<p><u>WEST MIDLANDS FIRE AND RESCUE AUTHORITY</u></p> <p><u>24 November 2025</u></p>
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**GOVERNANCE IMPROVEMENT PLAN – AUDIT AND RISK COMMITTEE
MODEL AND CO-OPTED MEMBERS**
For **DECISION**

Principal Officer: Chief Fire Officer
Report of the Interim Clerk to the Authority
Author: Interim Clerk to the Authority

1. PURPOSE

- 1.1. To allow members to determine whether to appoint an independent Chair of the Audit and Risk Committee, to agree updates to the Audit and Risk Terms of Reference, and to consider how to fill the currently vacant Co-opted post and whether further Co-opted roles should be added to the Authority membership.

2. RECOMMENDATIONS

- 2.1. That members either;
- 2.1.1. Approve the appointment of an Independent Chair of the Audit and Risk Committee, as recommended by the Corporate Governance Improvement Board (CGIB), with job description and recruitment process to be developed for consideration by the FRA in February 2026 and recruitment for appointment from June 2026, or
 - 2.1.2. Maintain the current elected member model of Audit and Risk Committee Chairing, with two independent members of the committee.
- 2.2. That members approve the draft Terms of Reference of the Audit and Risk Committee agreed by the Committee on 20 October

(**Appendix A**), to be adopted as part of wider review of Constitution in February 2026. This terms of reference to be further modified as from the June 2026 AGM if option 2.1.1 is approved.

- 2.3. That members approve the appointment of between one and three additional co-opted member from the options outlined within section 5.3 and considering the recommendations of the Corporate Governance Improvement Board (CGIB), outlined within sections 5.4 and 5.5.
- 2.4. That members agree a delegation to the Interim Clerk, in consultation with the Section 151 Officer and Monitoring Officer, to undertake an advertising and recruitment process or approach relevant bodies as appropriate to identify potential candidates for co-option to be considered and agreed at a future Fire and Resuce Authority, for appointment from the June 2026 AGM.

3. OBJECTIVES & EXPECTED OUTCOMES

- 3.1. These paper is intended to support the Authority to address a number of the actions within its Governance Improvement Plan, specifically;

4. Improve the function of the Audit and Risk Committee	
Action	Accountable Officer and Member
a) Scope feasibility of an independent Audit and Risk Committee Chair. Consider appropriate remuneration for this post.	S151 Officer/Fire Authority Chair Key Contact: S151 Officer
e) Review and consider the future role of Independent Members of the Audit Committee to include; <ul style="list-style-type: none"> • The number of such Members (and whether this includes an Independent Chair as per 4.a above) • Role specification 	Interim Clerk/Fire Authority Chair Key Contact: Interim Clerk

<ul style="list-style-type: none"> • Appropriate remuneration 	
1. Strengthen Committee Governance	
<p>e) Expanded independent expertise through the appointment of additional Independent/Co-Opted Members with appropriate expertise, to Authority and Committees</p>	<p>Chair/Interim Clerk Key contact: Interim Clerk</p>

3.2. This paper also supports the Authority to meet its requirement, as set out with the Constitution, and in line with good practice, to regularly review the Terms of Reference of its committees.

4. **BACKGROUND – AUDIT AND RISK COMMITTEE MODEL**

4.1. Audit and Risk Committees are a recommended feature of local authority governance, and CIPFA makes specific recommendations about how such a committee should be structured and its membership formed. This includes a specific recommendation that Audit Committees include least two independent members, to provide appropriate technical expertise.

4.2. Some Authorities take this further to appoint an Independent Chair of their Audit Committee. Although CIPFA’s guidance does not recommend an independent chair, it does emphasise that the chairs of Audit Committees should be “strong, independently minded” and “display [...] a depth of knowledge, skills, and interest.”

4.3. The approach across FRAs, Local Authorities and Combined Authorities is mixed. Three of the seven constituent local authorities in the West Midlands utilise an independent chair, alongside the West Midlands Combined Authority. Only one stand-alone Fire Authority uses this model, with several not including any independent members on their audit committee.

4.4. There is therefore no standardised description for the role of an Independent Chair. Examples from Local Authorities are linked within the background papers in Section 12, but

- 4.4.1. Requirement to not be (or have been for a set period) a member or officer of the authority or any constituent authority or closely related to anyone who is.
 - 4.4.2. Demonstrable experience of independence and impartiality, commitment to the Nolan Principles
 - 4.4.3. Strong communication and leadership skills
 - 4.4.4. Ability to understand, interpret and question complex information
 - 4.4.5. Knowledge and experience of chairing and managing meetings at a senior, corporate environment.
 - 4.4.6. Knowledge and experience of corporate governance, control, audit, risk management and financial processes
 - 4.4.7. Professional accountancy, audit or risk management qualifications (normally desirable)
- 4.5. The Independent Chair would take the position of one of the two proposed independent members, and the membership of the Authority, to include Vice-Chair, would remain the same. Like the existing independent member role, the chair would serve for a term of four years before requiring reappointment.
- 4.6. The Audit and Risk Committee have also, as part of its regular review of its Terms of Reference agreed a number of changes to better align the terms of reference with the CIPFA Position Statement on Audit Committees in Local Government and Police. This includes a change to require the committee to have two independent members. These proposed changes are outlined within Appendix A for member approval. They would need to be further modified were the Authority to decide to appoint an Independent Chair of the committee.
- 4.7. The Authority's CGIB considered this option as part of its meeting on 31 October 2025 and recommended that the Authority should

appoint an Independent Chair of Audit and Risk.

- 4.8. It is the view of the CGIB that this would support the independence and effective operation of the Audit and Risk Committee function and ensure appropriate skills and expertise on the committee on a longer-term basis. It was also felt it would ensure continuity for the committee's functions, which would be particularly important where the membership of the Authority as a whole, and by extension of its committees, is likely to change significantly on a yearly basis.

5. **BACKGROUND – CO-OPTED MEMBER OPTIONS**

- 5.1. Co-option is a mechanism by which an Authority can bring additional expertise and experience into its meetings and deliberations, in particular addressing skills gaps which may exist amongst elected members. As unelected members, co-opted members do not have voting rights but can contribute to all public and private work of the Authority and any committees to which they are appointed. They are expected to adhere to the same Code of Conduct as elected members and their role is outlined within the Constitution.
- 5.2. WMFRA have already successfully operated a co-opted member model since June 2018 when it was adopted as part of wider changes to the Authority's governance, including a reduction in the number of elected members. The Authority has one current co-opted member serving on the Authority and Scrutiny Committee, and one position currently vacant.
- 5.3. Based on engagement with WMFRA members through Member Engagement Forums, the identified areas for improvement within the Governance Improvement Plan, and consideration of key regional stakeholders, the following options for additional co-opted members are proposed;
- 5.3.1. Co-opted Member – Legal: Reserved for an individual with appropriate local government legal experience and relevant legal training and expertise.

- 5.3.2. Co-opted Member – Finance: Reserved for an individual with appropriate local government finance experience and relevant finance training and expertise. Should members agree to the appointment of an independent Chair of Audit and Risk, it may be deemed unnecessary to appoint this role.
- 5.3.3. Co-opted Member – WMCA: Reserved for an officer or appointed/elected representative of the West Midlands Combined Authority as a key local stakeholder, and in recognition of the government's devolution agenda.
- 5.4. The CGIB have considered this matter as part of its meeting on 31 October 2025 and have recommended that the Authority appoint at least one further co-opted member to fill the current vacancy and specifically supports the appointment of co-opted member(s) with legal and/or finance expertise. The CGIB offered no view on the number of co-opted members the Authority may wish to appoint.
- 5.5. The CGIB recommends that members ensure any co-opted members are appointed with a remit to serve the whole of the West Midlands as a member of the Authority, rather than as a representative of any specific organisation or group.

6. **STRATEGY ALIGNMENT**

- 6.1. Effective oversight to governance, risk and financial reporting are a core part of the effective delivery of the Authority's Strategy. Audit and Risk Committee, under its current terms of reference, are responsible for oversight of a number of key areas identified within the strategy, including financial efficiency and effective management of risk.
- 6.2. Co-opted members bring additional expertise to the functioning of the full Authority and its committees, which collectively have responsibility for the development, approval, scrutiny and implementation of the authority strategy in its entirety.

7. **IMPACT ASSESSMENTS**

- 7.1. An initial Equality Impact Assessment has been undertaken regarding the recruitment processes for Co-opted members and the potential recruitment of an Independent Chair of Audit and Risk. In both cases, it will be important to ensure such processes adhere to WMFS recruitment policy and ensures equality of opportunity and equal access throughout the recruitment process. The Clerk, in developing the recruitment materials and undertaking recruitment processes, will consult the service Diversity, Equality and Inclusion team to ensure a fair and equitable approach.
- 7.2. A full EIA will be completed to support the recruitment processes, subject to WMFRA approval.

8. **LEGAL IMPLICATIONS**

- 8.1. While WMFRA are not required in law to have an audit committee, it does have various statutory duties relating to financial reporting, governance, and audit, and CIPFA recommend that an Audit Committee oversee these duties.
- 8.2. There is no legal requirement to have an independent chair of Audit Committees, or for the chair to be an elected member. However, CIPFA Guidance recommends that an Audit Committee have at least two independent members to ensure appropriate skill mix and independence.
- 8.3. There is also no requirement to have co-opted members. Such members cannot have voting rights as unelected members.

9. **FINANCIAL IMPLICATIONS**

- 9.1. An Independent Chair of Audit and Risk Committee, if appointed, would be expected to receive a specific Special Responsibility Allowance alongside reasonable expenses.
- 9.2. Table 1 below provides details of current allowances paid to independent Audit and Risk chairs from other Local Authorities, FRAs and Combined Authorities, where they exist. The table also

includes the allowance currently paid to the elected Chair of Audit and Risk Committee. Given the current allowance paid is at the upper end of the range of comparable roles, it is unlikely any proposed allowance would significantly increase and therefore represent an additional cost to the FRA. Any proposal for this allowance would be subject to consideration by the Independent Remuneration Panel due to meet in early 2026.

Table 1 – Example Independent Chair Costs

Authority	Annual Allowance
Birmingham City Council	£5,658
Solihull Metropolitan Borough Council	£4,465
Walsall Metropolitan Borough Council	£6,070
Humberside Fire and Rescue Authority	£1,789
Greater Manchester Combined Authority	£4,067 (last published data)
West Midlands Combined Authority	£10,003
West Yorkshire Combined Authority	£5,500
WMFRA Audit Committee Chair SRA	£8,575

9.3. It is proposed that any allowances to be paid to Co-opted members (currently zero), be considered as part of the forthcoming Independent Remuneration Panel considerations.

10. **ENVIRONMENTAL IMPLICATIONS**

10.1. There are no environmental implications of this update report.

11. **CONSULTATION**

11.1. These matters have been discussed informally with Authority members at Member Engagement Forums in September and October 2025.

11.2. Audit and Risk Committee considered its Terms of Reference at its meetings in July and October 2024, including approving the draft Terms of Reference outlined in **Appendix A**.

11.3. The Corporate Governance Improvement Board considered these matters at its meeting on 31 October and have made recommendations incorporated within this paper.

12. **BACKGROUND PAPERS & APPENDICES**

- **Appendix A** – Proposed updates to Audit and Risk Committee Terms of Reference
- Governance Improvement Plan - as at September 2025
- [CIPFA Positions Statement: Audit Committees in Local Government and Police](#)
- [Item 5 – Audit and Risk Committee Terms of Reference – Audit and Risk Committee 20 October 2025](#)
- [Birmingham City Council – Independent Audit Chair](#)
- [West Midlands Combined Authority – Independent Chair of Audit, Risk and Assurance Committee](#)
- [West Yorkshire Combined Authority - Independent Audit Chair](#)

Relevant Principal Officer	Simon Tuhill	Chief Fire Officer
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