

Annual Report

Audit & Standards Committee 2009/10

John S Bridgeman
CBE TD DL
Independent Chairman
Audit and Standards
Committee



I am pleased to present the fourth Annual Report of the Audit & Standards Committee of Warwickshire County Council. It covers the financial year 2009/2010. The Committee met four times in the course of the year in public session.

We were sad to say goodbye to Councillors Mick Jones and Les Caborn in June 2009 following the elections and in September 2009 to Mark Magowan who had been an independent member of the Committee since 2003. All were dedicated and conscientious members of the Committee and their respective contributions will be missed.

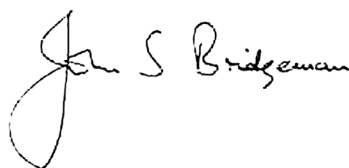
In June 2009 we were pleased to welcome two new councillors to the Committee Councillor Clare Hopkinson and Councillor Helen Walton.

The Council has a duty to ensure that it has adequate and effective risk management, control and governance arrangements and for the economy, efficiency and effectiveness of its activities. We have an exciting, key role to independently challenge and give assurance on these issues.

Following the elections in June 2009 training on the Code of Conduct was provided for new members and refresher training for all members on 19 January 2010. Both sessions were very well attended. In addition a session was arranged for members of the Committee on local assessment procedures.

The Committee is kept informed of national developments related to the conduct regime through bulletins issued by Standards for England.

I am indebted to the members of the Committee, and officers of the County Council for their support and for their contribution in ensuring that our work remains effective and economical.



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Top tips

If you use blogs, Facebook or Twitter to help you to carry out your political work, rather than in your private capacity, your obligation to meet certain standards of conduct still applies. You can still be involved in robust political debate and state your opinions strongly – the Code does not exist to gag you or fellow councillors or to stop you expressing political views. It does, however, prohibit treating others with disrespect, bullying and bringing one's office or authority into disrepute.

You may use a blog to draw attention to a particular local issue and call the council to account, as you would in a public meeting. However, blog entries ridiculing or attacking particular officers, or making serious accusations about their personal competence or integrity, could amount to disrespect, even bullying, in some circumstances.

THE AUDIT & STANDARDS COMMITTEE

The current membership of the Audit & Standards Committee is composed of six county councillors i.e. **Sarah Boad, Clare Hopkinson, Tim Naylor, Bob Stevens, John Vereker CBE, Helen Walton** and up to four independent members.

Current Independent Members

John Bridgeman CBE TD DL

joined the Committee and was elected its first independent Chairman in 2000. He is also Chairman of the Horseracing Regulatory Authority and the Standards Committee of the Warwickshire Police Authority. He is Vice Chairman and a Pension Trustee of British Waterways, Chair of its Fair Trading Committee and a member of its Audit and Ombudsman Committees. He is also Visiting Professor in Management at Keele University and advises a number of organisations on ethics, governance, regulation and strategy. Formerly he was Managing Director of British Alcan Aluminium plc and a member of the Monopolies and Mergers Commission before serving for 5 years as Director General of Fair Trading.

Robert Meacham OBE

is a retired businessman who lives in Kenilworth. He is a governor of the Lady Katherine Leveson C of E Primary School and the Lady Katherine Leveson Foundation. He is also a charity trustee of the Norton Foundation. He holds the position of a lay manager with the Birmingham and Solihull Mental Health NHS Trust.

Robert Jeanes is a retired Audit Manager of a major bank who lives in Warwick. He was an Associate of the Chartered Institute of Bankers (ACIB) and a Practitioner of the Institute of Internal Auditors (PIIA). He has been a lay member of the Warwickshire Schools Appeals Panel since 2002.

Did you know?

The Audit Commission Use of Resources Model was significantly revised for the 2008/09 assessment. Under the old model used in 2007/08 the Authority had achieved the top Level 4 rating. Under the revised model used for the 2008/09 assessment the Authority had achieved Level 3. The external auditors commented that the Council had done well in achieving a score of 3 out of 4. It had good financial plans and managed its spending well. It was a high performing authority that provided value for money. No shire county had achieved a level 4 score.

AUDIT MATTERS

We have considered the Health and Safety Annual Report 2008/09 which provides an annual position statement on the management of health and safety within the County Council. The Committee commended the report for its thoroughness and endorsed the priorities set out in the report.

We have also reviewed the recommendations for changes to Contract Standing Orders (which have since been agreed by Council). In particular we noted the proposals to strengthen the contract management arrangements to ensure the Council carried out appropriate competitive processes and the Council secured value for money. The outcome of the annual audit of compliance with Contract Standing Orders which indicated instances of non-compliance has underscored the need for strengthened procedures.

We received a presentation on the new risk based monitoring arrangements for the Direct Payments Scheme. This is potentially an important area for future work as the authority increasingly becomes an enabler rather than a provider under the social care 'personalisation agenda'. We have asked for a further report in 12 months time to review how the arrangements are working.

The Committee has continued to monitor standards of adult social care case recording which has

been an area of particular interest over the last 3 years. Last year we reduced our monitoring to an annual basis following improved compliance. We were particularly pleased to see at our annual review that there had been a further improvement from June 2009 following the appointment of 5 Quality Assurance Clerks.

We review on a regular basis the outcomes of internal audit reports and responses to recommendations. In addition we approved an internal audit strategy for 2009/10 which had a greater emphasis on the provision of proactive work.

As part of our regular business we consider reports from our external auditors and advise on the annual governance statement for the Council. We were pleased to receive the assurance that the Council continues to perform well, secures value for money and that the change in rating from 4 to 3 was due to the revised criteria and not a fall in performance.

STANDARDS MATTERS

We were advised of the impact of The Standards Committees (Further Provisions) Regulations 2009 which came into force in June 2009. These deal with:

- **The arrangements which can be made by Standards for England where they suspend the functions of a Standards Committee if the Committee has failed to properly exercise their functions and powers.**
- **The powers for joint standards committees to be set up with other authorities. Although this was considered unlikely in Warwickshire as currently the Committee deals with both audit and standards matters.**
- **The powers of the Committee to give a dispensation to members to speak and vote at a meeting when they have a prejudicial interest. It was noted that the guidance relating to this indicated that this would only be possible in rare circumstances.**

We have adopted the guidance of Standards for England as the basic framework for making decisions on member requests for dispensations.

In January 2010 the legislation relating to politically restricted officers changed, in essence removing as a requirement that all officers above a certain salary level should be politically restricted. The change requires local authorities to review their list of politically restricted posts and we will be considering the revised arrangements at our meeting in May 2010.

We consider regular bulletins from Standards for England at our meetings and appropriate other publications to ensure we remain up to date on conduct issues.

Complaints about Members

We have dealt with one referral during the course of the year which related to claims made under our member allowances scheme. This resulted in an investigation and a hearing which found the member in breach of the code of conduct. We are currently reviewing the controls around the scheme to ensure they are robust.

Did you know?

The Adjudication Panel for England functions have now transferred to the First-tier Tribunal (Local Government Standards, England). Applications for permission to appeal are now made to The Principal Judge of the First-tier Tribunal. Although the people who will be dealing with such matters are basically the same the procedure rules give more explicit powers of direction to the First-tier Tribunal than were available to the Adjudication Panel, including power to summon witnesses.

Update on the National Picture

There were 4432 complaints received locally from 8 May 2008 to 30 September 2009. 52% of all allegations received were not referred for investigation (no further action), with 29% referred for local investigation and 6% to Standards for England. 12% were referred to monitoring officers for alternative measures, such as training or mediation. A review was requested in 37% [816 cases] of the 'no further action decisions.

55% of the complaints made since May 2008 were from members of the public. Just 3% were made by council officers and 35% were from elected members. District Councils received the most complaints with an average of 12 cases per authority. The average number for County Councils was 7 cases per authority.

The most frequent potential breaches of the Code of Conduct being investigated are failure to treat others with respect, bringing the authority into disrepute, failure to declare interests and failure to withdraw where the interest is prejudicial.

WORK PROGRAMME 2010/11

- Advise on any changes to the member code of conduct and /or any development of an employee code of conduct
- Review the arrangements for dealing with political restrictions
- Review audits of compliance with Contract and Financial Standing Orders
- Review any proposed changes to Contract and Financial Standing Orders
- Evaluate the annual internal audit report
- Commission a Corporate Governance Audit
- Consider the external auditors annual governance report
- Review the Statement of Accounts and Annual Governance Statement
- Evaluate the external and internal audit plan
- Data Quality audits
- Health and Safety Annual Report
- Social Care Case recording
- Commission training as required for members in relation to the code of conduct and the new local assessment provision
- Advise on any general areas of concern relating to the operation of Code of Conduct and any implications arising from cases and the bulletins issued by the Standards Board

Complaints about members

Any complaint about a member of the County Council under the code of conduct should be sent to the Monitoring Officer at the address below

The Monitoring Officer, Warwickshire County Council, PO Box 9, Shire Hall, Warwick CV34 4RR or by email to monitoringofficer@warwickshire.gov.uk

Information about the process and complaint forms can be accessed through our website at www.warwickshire.gov.uk

Publication date: June 2010. Contact: Jane Pollard, Telephone: 01926 412565

Further details about our services and results can be found on our website:

www.warwickshire.gov.uk