

The **AUDIT AND STANDARDS COMMITTEE** met at **WARWICK** on the **22 NOVEMBER 2006**.

Present: -

Independent Member

John Bridgeman (Chair)
Mark Magowan

County Councillors

Sarah Boad
Les Caborn
Mick Jones
Tim Naylor
Bob Stevens
John Vereker

Officers

David Carter, Strategic Director of Performance and Development.

Jean Hardwick, Principal Committee Administrator, Performance and Development Directorate

Greta Needham, Head of Law and Governance, Performance and Development Directorate.

Gary Rollason, Audit and Risk Manager, Performance and Development Directorate.

Joanna Rhodes, Head of Strategic Resource Development, Resources Directorate.

Also present: Steve Connors and Paul Thompson (Haines and Watts, Accountants)

1. General

(1) Apologies for Absence

None.

(2) Members Declarations of Personal and Prejudicial Interests

Declarations of interest were recorded as follows –

- (a) Councillors Sarah Boad, Les Caborn, Tim Naylor, Bob Stevens and John Vereker declared personal interests in agenda item 2 as Members of the Pension Fund;
- (b) Councillor Sarah Boad also declared an interest in item 9 as a School Governor of Lillington Primary and Nursery Schools.

(3) Minutes of the meeting of the Audit and Standards Committee held on 25 September 2006.

The minutes of the meeting of the Audit and Standards Committee held on 25 September 2006 were agreed as a correct record and signed by the Chair subject to, in respect of paragraph (6), of item 2 (on page 6), External Auditors Annual Governance the word “was” being deleted and replaced by “were”.

Matters Arising

Minute 2 External Auditors Annual Governance Report and Minute 3 External Auditors Letter of Representation.

Joanna Rhodes in response to the Committee’s comments at the last meeting, reported, for 2005/06, Letters of Representation had been signed by the Strategic Director of Resources and the Leader of the Council. In future years, however, only the Strategic Director of Resources would sign the Letter of Representation.

2. Annual Standards Board Conference – 16/17 October 2006

The Chair updated Members on the Annual Standards Board Conference held on 16/17 October 2006.

The Chair said that he had taken part in a workshop “Standards Committee – Raising the Profile” and the following issues were raised during discussion –

- That the Audit and Standards Committee should give out the “right image” and that it should be well informed, professional, and give value for money.
- On the need to raise the profile of Audit and Standards work within the Council.
- That combining internal audit enhanced the work of Standards Committee
- The need to produce an Annual Report.
- That Heads of Service should be invited in to address the Committee.
- On the need communicate about Standards Committee work.

The Chair invited comments on these issues and questioned whether Members considered that they would benefit from “refresher” training. He also asked about the number of complaints received by the County Council

David Carter said that between 4/5 complaints a year were received but there had been no findings against the County Council. There had, however, been an increase in the number of queries received from the public and Members. Greta Needham added that most complaints received were internal and from Members mostly about declarations of interest.

During discussion the following comments were noted:

- (1) That Standards Committee should be careful not to overlap into the work of Overview and Scrutiny Committees.
- (2) Members were well aware of the remit of the Committee and did not require any further training.
- (3) That the area where Members were most unsure related to declarations of interests. It was considered, however, that provided advice was available then that was sufficient.
- (4) That placing the Register of Interest on display in the Council Ante-Chamber might encourage members to refresh their entries.
- (5) In order to raise the profile of the Committee's work that a report to Council would be appropriate.

Resolved to ask –

- (1) the Chair to report to the Council meeting on 20 March 2007 on the work of the Audit and Standards Committee and that a draft report be brought to the Committee's 21 February 2007 meeting.
- (2) that consideration be given to the Register of Members' Interests being kept on a table in the Council Ante-Chamber to encourage Members to refresh their entries.

3. Information Technology (IT) Audit Plan 2006-2009

Garry Rollason presented the report of the Strategic Director for Performance and Development and asked Members to approve the draft IT Audit Plan 2006-2009 and to support the additional £50k. budget bid to fund the Plan. He introduced Steve Connors and Paul Thompson, representing Haines and Watts, Auditors, who had drawn up the Plan.

During discussion members commented that, whilst they could approve the Audit Plan, the additional resource allocation could not be guaranteed and would have to be considered alongside other budget bids when the Council considered its annual budget at the beginning of the year. Mark McGowan questioned how the Committee could approve the Plan without the supporting budget allocated.

In response to questions Garry Rollason gave assurances that:

- a. a risk assessment had been carried out and "hotspots" identified. The Council's IT and Network Strategy had been identified as high risk areas and this work had been given a high priority, as had the Council's payroll system.

- b. In the event that the full budget bid was unsuccessful work would be prioritised in accordance with that allowed by the budget.

Steve Connors explained the background to his company, which he said had a specialist public sector arm to its operations. The Plan had been drawn up taking account of experience of working for other similar councils and after discussion with County Council officers. The Plan was risk based and provided an average of 80 days of IT audit during each of the three year Plan. The Plan was dynamic, flexible, based on experience and economies of scale and would provide added value and produce efficiencies that could lead to real savings.

In reply to questions regarding the impact of a reduced budget on the Plan Steve Connors said that the work programme could be adjusted to ensure that the high-risk areas were addressed. The programme would be assessed at every year-end.

Resolved that the Committee approves the proposed IT Audit Plan

4. Criminal Record Checks

Bob Perks presented the report of the Strategic Director of Performance and Development which set out the recommendations of an internal audit undertaken earlier this year on the vetting of staff and contractors employed by the County Council and reports on progress made in implementing these.

During discussion the following comments were noted:

- (1) That the outstanding areas of weakness were where there were old convictions and the capacity of the CRB to carry out periodic checks.
- (2) That the CRB had improved its performance in the time taken to carry out checks and the ability to carry them out more easily (via e-mail).
- (3) That the improvement to the instructions given about the need for CRB checks was welcomed.

Resolved that the –

- (1) progress made in implementing the recommendations of the internal audit report on vetting staff and contractors employed by the County Council be noted.
- (2) Head of Human Resources be asked to report to alternate meetings of the Committee progress made on implementing CRB checks

5. Standards Boards Bulletins

The Committee considered the report of the Strategic Director of Performance and Development, which attached, for information, publications issued by the Standards Board since May 2006.

Mark Magowan highlighted page 3 of Standards Bulletin 29 relating to the "Clarity on Standards and Audit Committees" and the scope of Standards Committees. He referred to the statement that committees were more effective when they focussed solely on their own defined area of business.

In response David Carter explained that the decision to combine both standards and audit in one committee had only been agreed after long and vigorous discussion with the Strategic Director of Resources. The Chair added that there was a clear distinction between audit and standards but provided that the Committee had the expertise and skill to discharge these functions it was more efficient and cost effective to combine them. There was a concern, however, that Standards items might take second place and in this respect he had asked for Standards items to be scheduled first on the agenda for future meeting of this Committee.

Resolved that the –

- (1) Audit and Standards Committee notes the publications issued by the Standards Board.
- (2) Strategic Director of Performance and Development be asked to check whether the District Councils' Monitoring Officers are circulating Standards Board Bulletins to the parish and town councils.

6. Programme and Dates for future meetings

Resolved that –

- (1) Members be surveyed to ascertain their availability for meeting dates for June, September and November 2007.
- (2) The next meeting be held on Wednesday 21st February 2007 at 10:00 a.m.

7. Any Other Business

None

8. Report Containing Confidential or Exempt Information

Resolved that members of the public be excluded from the meeting for the item mentioned below on the grounds that their presence would involve the disclosure of confidential or exempt information as defined in paragraphs 2, 3 and 7 of the Local Government Act 1972'.

9. Internal Audit Report

Garry Rollason presented the report of the Strategic Director of Performance and Development, which summarised internal audit work carried out in the quarter ended 30 September 2006.

Following discussion it was resolved that the-

- (1) results of internal audit work in the period and the revised audit plan for 2006/7 be noted.
- (2) Strategic Director of Performance and Development is asked to –
 - (i) Provide an Internal Audit Report annually to the Committee for the public agenda.
 - (ii) Write to the County Council's Strategic Directors advising them that the Committee expects draft internal audit to be responded to promptly and informing them that the Committee recommended 3 month time limit between draft and final audit reports.
 - (iii) Change the description of the deleted items in Appendix D, page 3, of the report from "deleted" to "deferred" where appropriate.

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Chair of Committee

The Committee rose at 11.15 a.m.