

The **AUDIT AND STANDARDS COMMITTEE** met at **WARWICK** on the **16 June 2008**.

Present: -

Independent Members

John Bridgeman (Chair),
Mark Magowan.

County Councillors

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

Also present:

Tony Parks and David Rigg, Audit Commission.

Officers

Performance and Development Directorate

Jane Pollard, Overview and Scrutiny Manager.
Garry Rollason, Audit and Risk Manager,
John Wright, Committee Manager

Adult, Health and Community Services Directorate

Liz Bruce Head of Local Commissioning
Donna Rutter, Service Manager for Older People and
Physical Disability Services.

The internal audit annual report (item 14) was taken out of agenda order and was considered before agenda item 6 and the appropriate resolution passed, however for the purpose of the minutes those items are recorded in agenda order.

1. General

(1) Apologies for absence

None

(2) Members' Disclosures of Personal and Prejudicial Interests

None

(3) Minutes of the Audit and Standards Committee meeting held on 19 November 2007.

Resolved

That the minutes of the meetings held on 20 February and 30 April 2008 be approved and signed by the Chair as a correct records.

(4) Matters Arising.

(a) 30 April Minute 2 Investigation under the Member Code of Conduct

The Committee were informed that Councillor Kanwardeep Singh was due to undertake training in the near future

Members had been asked, at the Annual meeting of the Council, to review and update their register of interest declarations.

Members were concerned that the procedure for the hearing had been cumbersome but were reminded that the new regulations for investigating alleged breaches of the code of conduct would introduce a filter system that would reduce the number cases that would be reported to the Committee. The regulations would also allow for the creation of Sub Committees to undertake hearings.

2. Standards Board for England – Bulletins No. 37 and 38

The Committee considered the report of the Strategic Director of Performance and Development on the content of the Standards Board Bulletins No.37 and 38.

Members were informed that the Standards Board had recently appointed a new Chairman and details would be circulated to members.

Resolved

(1) That the content of the Standards Board Bulletins No.37 and 38 be noted

(2) That John Bridgeman and Councillors Mick Jones and Sarah Broad attend the Standards Board Annual Conference

3. Revised Terms of Reference and Arrangements for the Audit and Standards Committee

The Committee considered the report of the Strategic Director of Performance and Development advising on the arrangements made by Council to implement the changes in the conduct regime made by the Local Government and Public Involvement in Health Act 2007.

The Committee were informed the recruitment of two additional independent members of the Committee would begin shortly and meetings of the Committee would be arranged to interview candidates.

Resolved that the new terms of reference be noted.

4. Contract Standing Orders for Schools

The Committee considered the report of the Strategic Director of Performance and Development on the results of a review of the Contract Standing Orders for Schools. The main change would be to give head teachers greater freedom in relation to tendering procedures by raising the threshold levels for the three levels of contracts. Members were concerned to ensure that schools were aware of the new arrangements, that schools acknowledged receipt of the revised Standing Orders and that implementation of the new arrangements was enforced

Resolved that

- (1) Subject to any amendments made by the Strategic Director of Performance and Development or the Strategic Director of Resources prior to the Council meeting on 24th June, the Cabinet and the Council be recommended to approve the revised Standing Orders For Schools to enable them to come in to effect from 1st September 2008.
- (2) Imaginative delivery methods are used to ensure that schools engage with the requirements of the revised Standing Orders and steps are taken to enforce use by schools of the revised Standing Orders

AUDIT ITEMS

5. Adult Social Care Case Recording

The Committee considered the report of the Strategic Director of Adult, Health and Community Services on the implementation in February 2008 of a revised audit process for the monitoring of qualitative and quantitative performance of case recording in adult social care. Attached as an appendix to the report was an internal audit review of case files.

The Committee was informed that performance figures for the quantitative audit were improving and in some cases exceeding targets, though it was noted that a number of targets had not been met.

A Quality Assurance Panel, composed of internal and external service users, had been established to oversee assessment care plans and reviews and the extent to which they are outcome focussed.

Each team was self auditing each quarter. Under performing teams were being identified and work was being done to establish what could be done to improve performance.

In discussing the report the following points were made

- Each team was self auditing each quarter. Under performing teams were being identified and work was being done to establish what could be done to improve performance.
- The major block to updating case files was that it was time consuming. Mobile working, including the use of tablet pcs, was being introduced which should allow staff greater flexibility for updating files.
- Services to deaf people – none of the case files met all appropriate standards. Members were informed that responsibility for services to deaf people had recently transferred into the division. Members requested details of how many deaf people were provided services by the division.
- The portfolio holder, Colin Hayfield, had not met with officers to discuss the audit of case files and planned and proposed improvements.
- Members were concerned that files should be kept up to date as much as is possible in order to avoid the possibility of some of the cases seen elsewhere in the country where due to poor case management staff had not been able to properly take on a case file or were unaware of cases where support was needed because the file was not up to date.
- Paragraph 7.2 of the appendix to the report identified inconsistency amongst different teams towards case file handling. There was a total of 11 teams. All members were agreed that a consistent approach was necessary and suggested that it should be introduced with the next three months.
- Members asked when another inspection would take place and were informed that time would be given for the recently introduced changes to be implemented and hopefully make an impact.

Members were of the opinion that progress was being made but felt that progress needed to continue to be monitored.

Resolved that a further report be submitted to this Committee in December.

6. The Annual Governance Statement 2007/2008

The Committee considered the report of the Strategic Director of Performance and Development advising on the conclusions of the annual review of the effectiveness of internal control which the Council was required to conduct on an annual basis. The previous year's statement had identified six areas of work where improvement was needed. Despite significant improvement there remained scope for improvement in four areas of work – adult social care; management of human resources; partnership governance and risk management and business continuity.

The review for 2007/08 had identified a further four areas that required improvement – Information management; management of waste; project management, member development and on going management of the fire and rescue service. The committee was assured that none of these matters raised significant governance issues.

Resolved that the results of the review of internal control be noted, and that the proposed Annual Governance Statement be commended to Cabinet and Council.

7. Opinion Audit Plan 2007/08, Audit and Inspection Plan 2008/2009 and Audit and Inspection Letter 2006/2007.

The Audit Commission presented the Annual Audit and Inspection Plan 2007/2008 to the 4th June 2007 meeting of this Committee. At that time the Audit Commission were not able to detail the risks that they need to consider as part of their audit opinion work. The information was now contained in the report. The report also included the Audit and Inspection Plan 2008/2009 which set out the Audit Commission's proposed work schedule for the financial year 2008/2009.

The Opinion Audit Plan 2007/2008 set out the assertions to be considered by area of financial statements, the specific risks and the timetable for completion of the audit.

Members asked a range of questions regarding the report and, inter alia, the following points were made:

Opinion Audit Plan

- A separate opinion plan for the audit for the financial statements for 2008/2009 would be issued in December 2008
- A review of internal audit, which is required every three years, is scheduled for 2008/2009
- From April 2008 the pension fund would be the subject of a separate audit. This arose from national concerns about the viability of pension funds.
- Consideration should be given to an audit of the basis on which final salary pensions are calculated

Audit and Inspection Plan

- There was concern at the cost and necessity of carry out the forthcoming CPA inspection when the CPA inspection régime was due to be replaced in less than a year by Comprehensive Area Assessment (CAA).
- There was concern that CAA would be more expensive than CPA
- Members would welcome a training session on the new CAA régime and considered such a training should be made available to all members of other authorities and organisations affected by CAA
- The rise in the audit fee of over £30,000 for the forthcoming year was disproportionate to the level of progress made and there was no justification for the increase in fee for next year

Audit and Inspection Letter

- A copy of the Audit Inspection letter be circulated to all members for their information
- Whilst rated as a 3 star council in the current report the Council had been very close to being rated as 4 star and this reflected the accelerated rate of improvement over the previous 12 months. The council was rated as improving well. Performance indicators also reflected this improvement.
- Culture had dropped in rating from 4 star to 2 star and this change related to changes in Performance Indicator targets. The targets were

set by Sport England. Members were concerned to establish whether the Council had been consulted about this change in the rules and whether or sufficient time had been given for the council to amended it's working practices to maintain it's previous high rating.

- Performance of the fire and rescue service was improving adequately but overall satisfaction with service was below average and performance on a number of key indicators remained mixed.

Resolved that

- (1) The contents of the Opinion Audit Plan 2007/08 be noted;
- (2) The contents of the Audit and Inspection Plan 2008/09 be noted;
- (3) The contents of the Annual Audit and Inspection Letter be noted and a copy circulated to all members of the Council;
- (4) The Strategic Director of Performance and Development be requested to raise with the Audit Commission the reasons for the necessity of carrying out the forthcoming CPA inspection, and the associated additional costs to the Council, when the CPA inspection régime was due to be replaced in less than a year by Comprehensive Area Assessment (CAA); and
- (5) A report be submitted to the next meeting of the committee on the reasons why the basis for calculating the Culture rating had changed. The report to include details of whether the Council had been consulted about this change in the rules and whether sufficient time had been given for the council to amended it's working practices to maintain it's previous high rating.

8. Internal/External Audit Protocol

The Committee considered the report of the Strategic Director of Performance and Development on joint working arrangements between internal and external audit and the Audit Commission's updated statement of responsibilities of auditors and audited bodies.

Both documents sought to clarify existing working relationships and to raise awareness amongst managers.

Resolved that the statement of joint working arrangements between internal and external audit be endorsed and the statement of responsibilities of auditors and audited bodies be noted.

9. Internal Audit Strategy 2008 - 2009

The Committee considered the report of the Strategic Director of Performance and Development on the 2008 - 2009 Internal Audit Strategy. The strategy outlined the audit work to be undertaken during 2008/9.

Following the earlier discussion members were keen that Adult, Health and Community Services should be making progress on introducing standardised procedures for case file management.

Members noted that the risk assessment methodology gave topics a risk score and asked which areas were considered to be the worst risk. It was agreed that details would be circulated to members.

Resolved that the 2008 - 2009 internal audit strategy including the internal audit terms of reference be approved.

10. Any Other Business

(1) Joint /Reciprocal Working Arrangements

Members enquired as to whether any joint working arrangements had been entered in to with the District Councils regarding the investigation of complaints of breaches of the code of conduct. The Committee was informed that no formal agreements had been made but the possibility of reciprocal working arrangements with the Police Authority were being explored.

(2) Fire and Rescue Service Improvement Notice

Members enquired as to progress on the Improvement Notice. An appeal against the Notice had been upheld and consequently the Notice had not taken effect. The Fire and Rescue Service had undertaken to improve it's levels of service and if it failed to achieve the targets set the Notice would take effect. The committee was informed it was thought that the targets had been met. Members requested a progress update report be submitted to the next meeting of the Committee.

Resolved that a report be submitted to the next meeting of the Committee on progress made against the targets set in the Improvement Notice for the Fire and Rescue Service

11. Dates of Future meetings

22nd September 2008
18 November 2008
23 February 2009

12. Report Containing Confidential or Exempt Information

Resolved that members of the public be excluded from the meeting for items 13 and 14 below on the grounds that their presence would involve the disclosure of confidential or exempt information as defined in paragraphs 1,2,3 and 7 of the Local Government Act 1972.

13. Exempt minutes of the meetings held on 20 February 2008 and 30 April 2008.

Resolved that the exempt minutes of the meetings held on 20 February 2008 and 30 April 2008 be agreed and signed as a correct record.

14. Internal Audit Report for the period 1 April 2007 to 31 March 2008

The Committee considered the report of the Strategic Director of Performance and Development which summarised on the results of internal audit work during the period 1 April 2007 to 31 March 2008, the annual review of the effectiveness of the system of internal audit and the overall opinion on the Authority's control environment..

Resolved that

- (1) The contents of the internal audit report be noted;
- (2) The annual effectiveness review be endorsed; and
- (3) The annual Health and Safety Report should be submitted to the next meeting of the Committee.

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Chair of Committee

The Committee rose at 1:10 p.m.