

Other Bodies/Individuals

Greta Needham

FINAL DECISION YES

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by
this Committee

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To Council

.....

To Cabinet

.....

To an O & S Committee

.....

To an Area Committee

.....

Further Consultation

.....

Agenda No 4

Audit & Standards Committee - 24 February 2009.

Annual Report of the Committee

Report of the Strategic Director of Performance & Development

Recommendation

That the Committee considers and comments on the content of the proposed report

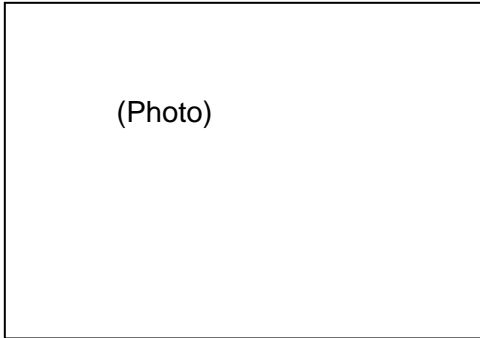
A draft annual report is attached. The Committee is asked to comment on the content of the report. Once the content has been agreed the report design will be finalised for onward submission to Council.

DAVID CARTER
Strategic Director of
Performance & Development

Shire Hall
Warwick

04 February 2009

ANNUAL REPORT OF THE AUDIT & STANDARDS COMMITTEE 2008/09



I am pleased to present the third Annual Report of the Audit & Standards Committee of Warwickshire County Council. It covers the year 2008/2009.

We are pleased to welcome two additional independent members to the committee this year, Mr Robert Jeanes and Mr Robert Meacham OBE.

The Committee met five times in the course of the year in public session. In May 2008 the committee became responsible for dealing with complaints about members of the council. We had received training in February 2008 on our new responsibilities. In addition a refresher training session was arranged for all members of the Committee on 18 November 2008 on the revised code of conduct.

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

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.

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.

Signature

**John S Bridgeman CBE TD DL
Independent Chairman Standards Committee**

New Arrangements from May 2008

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

Did you know?

Evidence shows that frauds are usually committed by long serving members of staff who are trusted by the organisation, know the systems and controls well and are able to get around them. The Committee agreed a revised anti-fraud policy during the year which set out our zero tolerance approach to any form of financial irregularity. Employees are usually the first to notice when things are going wrong and can often provide the best source of information. A special fraud reporting hotline and e-mail address has been set up to allow staff to report possible irregularities: 01926 412052 tellusaboutfraud@warwickshire.gov.uk

THE AUDIT & STANDARDS COMMITTEE

The Audit & Standards Committee is composed of six county councillors and four independent members.

John Bridgeman CBE TD DL joined the Standards 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 a Board Member and Pension Trustee of British Waterways, chairs its Fair Trading Committee and sits on the Audit Committee. 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

Mark Magowan is an independent member of the Committee. He lives in Warwick and is a Senior Auditor with the National Grid Transco. He has previous experience with H.M. Customs and Excise where his responsibilities included developing new tax and control frameworks with major companies.

Mr 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.

Mr Robert Jeanes is a retired Audit Manager of 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 (PIA). He has been a lay member of the Warwickshire Schools Appeals Panel since 2002.

Councillor Sarah Boad is a member of the Liberal Democrat party and represents the Leamington North division on the Council. She is the Deputy Leader of the Liberal Democrat group on the Council and Chair of Warwick Area Committee.

Councillor Tim Naylor is a member of the Labour party and represents the Leamington Willes division on the Council. He is the Deputy Leader of the Labour group on the Council and is a former Cabinet portfolio holder for Resources Management.

Councillor Les Caborn is a member of the Conservative party and represents the Bishops Tatchbrook division on the Council

Councillor Mick Jones is a member of the Labour party and represents the Nuneaton Galley Common division on the Council. He is the Chair of the Economic Development Overview and Scrutiny Committee and a former Cabinet portfolio holder for Young People, Lifelong Learning and Families.

Councillor John Vereker CBE is a member of the Conservative party and represents the Rugby Caldecott division on the Council. He is the Chair of Rugby Area Committee and a past Chair of the County Council

Councillor Bob Stevens is a member of the Conservative party and represents the Feldon division on the Council. He is the Deputy Leader of the County Council

REVIEW OF PERFORMANCE 2008/09

We have considered and advised on a number of issues throughout the year e.g.

- **Performance/ Monitoring reports**
 - Quarterly internal audit reports
 - External Annual Audit and Inspection Plan
 - Corporate Governance Action Plan
 - Statement of Accounts and Statement of Internal Control
 - External Auditors Annual Governance Report and Letter of Representation
 - Adult Social Care case recording
 - Data Quality Audit Report
 - Health and Safety Annual Report

- **Member development**
 - Agreed the new local assessment arrangements for complaints about members
 - Our new responsibility for the supervision of politically restricted posts
 - Guidance for members engaged in mediation
 - Received and considered regular bulletins from the Standards Board, Annual reports of the Adjudication Panel, Standards Board and the Case Digest 2008

- **Policy Matters**
 - Implications of proposed changes to the Members Code of Conduct and a proposal for a statutory Employee Code of Conduct
 - Review of Anti-fraud and Anti-corruption Policy
 - Review of Contract Standing Orders for Schools
 - Internal/External Audit Protocol
 - Revised Internal Audit Strategy

Complaints about Members

We have dealt with two referrals during the course of the year. One referral from the Standards Board where we found there had been a failure by a member to keep the register of interests up to date. We recommended training for the member in these circumstances.

A further case was referred to us under the new local assessment process. We did not consider the complaint warranted an investigation under the code of conduct and referred the matter to the monitoring officer for other action. As a result of this case we have also offered guidance to members who wish to engage in mediation between constituents

Who audits the auditors?

The Audit Commission regularly reviews the quality of internal audit work and checks compliance with professional standards. The results of the review have wide ranging implications for the Use of Resources judgement. The Committee considered the results of the latest review in February 2009. This review concluded that the internal audit service fully complies with the Code of Practice and provides a good service to the authority.

Local Assessment Criteria

We have adopted the following approach to the local assessment of complaints

- Is there prima facie evidence of a code breach?
- Would investigation serve any useful purpose?
- Would an alternative route to investigation provide a more effective resolution? Is there scope for mediation, brokering, apology etc?
- Is the case suitable for local investigation?

We will not normally refer complaints for investigation where they fall within one or more of the following categories

- we believe it to be malicious, relatively minor, or tit-for-tat
- the same, or substantially similar, complaint has already been the subject of an investigation or inquiry and there is nothing further to be gained by seeking the sanctions available to the standards committee or the Adjudication Panel
- the complaint concerns acts carried out in the member's private life, when they are not carrying out the work of the authority or have not misused their position as a member
- it appears that the complaint is really about dissatisfaction with a council decision
- there is not enough information currently available to justify a decision to refer the matter for investigation
- except in the most serious of cases, conduct which might have been a breach of the original Code but would not be considered to be a breach of the revised Code of Conduct adopted in May 2007

WORK PROGRAMME 2009/10

New Developments/Legislation

- Advise on any changes to the member code of conduct and /or any development of an employee code of conduct
- To take up our new responsibilities in relation to politically restricted posts

Performance Monitoring

- Review audits of compliance with 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

Member Development

- 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

Update on the National Picture

To be completed