

The **AUDIT AND STANDARDS COMMITTEE** met at **WARWICK** on the **21 September 2009**

Present: -

Independent Members

Rob Jeanes
Bob Meacham OBE
Mark Magowan

County Councillors

Clare Hopkinson
Tim Naylor
Kate Rolfe
Helen Walton
Chris Williams

Officers

David Clarke, Strategic Director Resources
Andrew Lovegrove, Group Accountant
Ann Mawdsley, Principal Committee Administrator
Greta Needham, Head of Law and Governance
Jane Pollard, Democratic Services Manager
Garry Rollason, Audit and Risk Manager

Also present:

Councillor Peter Fowler
Dave Rigg, District Auditor, Audit Commission
Helen Lillington, Audit Manager, Audit Commission

1. General

(1) Apologies for absence

Apologies for absence were received from Councillor Sarah Boad (replaced by Councillor Kate Rolfe for this meeting), John Bridgeman, David Carter, Councillor Bob Stevens and Councillor John Vereker (replaced by Councillor Chris Williams for this meeting).

(2) Members' Disclosures of Personal and Prejudicial Interests

None.

(3) Minutes of the Audit and Standards Committee meeting held on 25 May 2009

Resolved that the minutes of the meeting held on 25 May 2009 be approved and signed by the Chair as a correct record.

Matters Arising

Minute 2 Standards Board For England Bulletin No 42 and 43

Jane Pollard confirmed that co-opted members of County Council committees were covered by the authority's insurance, but were not covered by the authority's indemnification. The Committee recommended that steps be taken to extend the indemnity to co-opted members.

STANDARDS ITEMS

2. Standards Board for England – Bulletins No 44 and 45

The Committee considered the report of the Strategic Director for Customers, Workforce and Governance on the content of the Standards Board Bulletins No 44 and 45.

Bulletin 44

It was noted that on page 6 (Case Handling) of Bulletin 44, the time period referred to should be 8 May 2008 to 31 March 2009. This did not reflect a full 12 month cycle due to the transfer of responsibilities from the national Standards Board to Local Authorities.

Bulletin 45

Members enquired whether there were templates of draft written apologies within the Standards Board Guidance. Jane Pollard agreed to check this.

Resolved that the content of the Standards Board Bulletins No 44 and 45 be noted.

AUDIT ITEMS

3. The Standards Committees (Further Provisions) Regulations 2009

The Committee considered the report of the Strategic Director for Customers, Workforce and Governance advising members of the changes brought about by the above regulations, which had come into force in June 2009.

Jane Pollard noted the three new provisions:

- i. The circumstances for and arrangements to be put in place should a Standards Committee fail to exercise their functions and powers, requiring the Standards Board England to suspend their functions.
- ii. The possibility for joint standards committees to be set up with other authorities. This was unlikely in Warwickshire as currently this Committee dealt with audit and standards matters.
- iii. The powers of the Committee to give 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.

Members agreed that a refresher course on Standards issues, which applied to all members, should be included in the programme of member development. Jane Pollard agreed to action this and noted that there was also a Standards Board DVD expected in October on local assessment, which would be made available to members.

Resolved:

1. That the Committee notes the new arrangements under the Standards Committees (Further Provisions) Regulations 2009.
2. Adopts the guidance of the Standards Board as the basic framework for making decisions on member requests for dispensations.

4. Update on Case File Recording

As there was no officer in attendance to present the report the Committee agreed to defer this item to the 23 November meeting.

5. External Auditors Annual Governance Report 2008/09

The Committee considered the report from the Audit Commission outlining matters arising from their audit of the 2008/09 accounts.

Dave Rigg and Helen Lillington outlined the report and noted the following points:-

1. There were no major areas of concern to report.
2. The technical issues outlined in paragraph 7 of the Financial Statements had been satisfactorily cleared.
3. Auditors were satisfied that the risk reported in the past year relating to the Fire Fighters Injury Award had been treated correctly.
4. Since the report had been written, the following three additional adjustments to the accounts had been made:
 - Debtors - treatment of the LPSA grant. The full £6.3m had been included within the current debtors balance, but as half of this was payable in 2010/11, this needed to be reclassified as a long term debtor.
 - Cash and Bank - an error in terms of coding, where £2.4m had been coded to Studley High Foundation School instead of Queen Elizabeth Foundation School. This had no impact on the balance sheet.
 - On 21 May 2008 new factors for calculating lump sums payable to retiring firefighters who opt to commute their pension were given. On 7 September a further circular was issued backdating the commutation to 22 August 2006. Late guidance received from the commission was that this was an adjusting event after the balance sheet date, calculated to be £272,000 onto the firefighters pension fund account.
5. There had been a reclassification of some assets to indicate where single buildings had a number of functions, for example in Kenilworth one building was used as a One Stop Shop and as a library.

6. The Council continued to provide good value for money and the drop in rating from a 4 to a 3 was due to the changed criteria for 2009. Dave Rigg added that with the current system a 3 indicated that an authority had more than all required arrangements in place and a rating of 4 would require innovative arrangements which were outcome driven in terms of management of finances, governing business and management of natural resources. Warwickshire County Council was in the top bracket across the country, with only 2 or 3 authorities achieving a 4. The Committee would consider reports on the "Use of Resources" and the Annual Audit Letter at later meetings, which would demonstrate that they were providing good value for money. Members agreed that public perception was extremely important and information management was essential to put the 3 rating into context.

Resolved that the context of the report and adjustments to that report be noted and approved the signing of the letter of representation.

6. Audit and Standards Work Programme

The Committee considered the report of the Strategic Director for Customers, Workforce and Governance on the work programme for the Committee.

Members suggested that consideration be given to the appropriateness of a report to the Committee looking at the coding of school budgets. It was agreed that Dave Clarke should consider how such an exercise may benefit schools.

Resolved that the report be noted;

7. Any Other Business

The Committee were informed that Mark Magowan had resigned from the Committee and this was his last meeting. The Chair thanked him for the work he had done for Warwickshire and that he would be sadly missed. Councillor Tim Naylor thanked Mark Magowan, adding how helpful he had been in bringing an independent view to the Committee. He also thanked the long serving elected members from the previous administration.

The Chair took the opportunity to thank officers for the totally satisfactory way they carried out their roles and in achieving such a good outcome on the Annual Governance Report 2008/09.

8. Future Meeting Dates

To note future meeting dates to be held in Shire Hall at 10:00 a.m. as follows -
23 November 2009
22 February 2010

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Chair of Committee

The Committee rose at 10.50 p.m.