

Runnymede Borough CouncilSTANDARDS AND AUDIT COMMITTEE15 February 2005 at 8.30 p.m.

Members of the  
Committee present: Councillors Ms. C.M. Simmons (Chairman), A.P. Tollett (Vice Chairman),  
Mrs L.M. Gillham, P.A. Greenwood, Ms R.E. Haylor and Dr. R.F. Miller and  
Mrs C. Spurling (Independent Members)

Members of the  
Committee absent: None

522. MINUTES

The Minutes of the meeting of the Committee held on 14 September 2004 were confirmed and signed as a correct record.

523. INTERNAL AUDIT

(Ref: Minutes of Standards and Audit Committee, February 2004, page 1276, para. 703)

The Committee received a comprehensive report which set out the Internal Audit Plan for 2005/2006, updated Members on the staffing situation in the Internal Audit section, and drew attention to those internal control functions which warranted special reference.

Members noted that 207 days were allocated in 2005/2006 for the audit of Council departments. Another 20 days would be spent on computer audit, another 20 on contracts, 20 days on identification of possible fraud and consequent action supplied by the National Anti Fraud Network, and 35 days would be reserved for unforeseen work and consultancy.

The Committee noted that the total number of days in the audit plan (302) represented a significant drop as compared to previous years (i.e. 378 days in 2003/2004, 409 days in 2002/2003). This was partly a result of the staff shortages which had necessitated bringing in an external provider, (this produced a net loss of about 30 days compared to an in-house auditor). More time had also been allowed to recognise preparation and final reporting, which had become more time consuming in recent years. It was proposed that the existing real time records maintained by staff would be amended to break down the actual time used on an audit. The Computer Audit Needs Assessment had now been completed by an external provider, and the Committee noted work would be undertaken on the six programmes recognised as comprising the highest risk factors. Fifteen days would be spent on the Computer Audit in the remainder of this year (2004/2005) and, as previously reported, 20 days of audit would take place in 2005/2006. In addition, two new audit areas had been added to the Plan; Budgetary Control, and Decriminalised Parking.

Members were pleased to note that the staffing problems of the previous year had been overcome to some extent. A very capable consultant had been appointed and had provided much needed stability. The other audit post had been filled in November 2004 by a trainee appointment, and the postholder was performing well and had recently registered to start his professional qualifications. It was therefore hoped that the 2005/2006 Plan would be completed and that any backlog of work would also be cleared.

As regards internal control, the Committee was gratified to note that there were no major issues arising. However, two areas of concern had been identified by Officers, and the Committee was pleased to note that the appropriate action was being taken.

In conclusion, the Committee thanked the Director of Finance and the Chief Internal Auditor for a comprehensive report, and in particular were pleased to note that the staffing situation had much improved from last year.

524. REVIEW OF ARRANGEMENTS FOR INTERNAL CONTROL FOR 2004/2005  
(Ref: Minutes of Corporate Management Committee, 29 June 2004, page 76, para. 50)

The Committee noted that under the Accounts and Audit Regulations 2003, there was a need for the Council to review its internal arrangements and prepare a Statement on Internal Control (SIC) in accordance with proper practice. This Statement would look beyond financial controls to include all aspects of the conduct of the Council's business. Statutory guidance required this Statement to be signed by the most senior Officer (Chief Executive Officer) and the most senior Member (Leader of the Council). The Committee noted the development of the Statement on Internal Control concept, noting that CIPFA had published a paper to help local authorities prepare their Statements, and also that the Corporate Management Committee in June had decided that in future an annual review of the Internal Control framework of the Council should be presented to the Standards and Audit Committee. This Committee would then agree the SIC which would be duly signed, before being approved by the Corporate Management Committee as part of the annual Statement of Accounts, due to be approved this year on 7 July 2005. It was anticipated that the District Auditor would pay close attention to this Council's SIC and that it would form an increasingly important part of the District Auditor's examination of the Council's internal audit controls.

The Committee noted the scope and rationale of the SIC, and the mechanisms that would be applied to ensure its efficacy. Members paid close attention to the CIPFA guidance on the components of a good SIC and examined a schedule (Appendix 'A' herewith) which set out the sources and examples of controls and procedures that were available to provide the evidence that would support a competent SIC. The Committee noted that the SIC was required to conclude with a section identifying what action would be taken to deal with significant internal control issues. Runnymede's SIC for 2003/2004 had identified no such significant issues, but the District Auditor had questioned this approach, and the view was therefore taken that even the best authorities should attempt to identify some "areas for improvement". Accordingly, the Committee agreed that the two following "areas of improvement" would be usefully examined in 2004/2005; (i) risk management, and (ii) Member Working Groups

**RESOLVED that -**

- (i) this Committee, having reviewed the Schedule of Evidence drawn up by the Officers, is content that it is appropriate to support the Statement of Internal Control;**
- (ii) this Committee is content that the format and content of the draft Statement of Internal Control as presented is an appropriate basis upon which to construct the final Statement to be published with the Statement of Accounts; and**
- (iii) the Director of Finance submit a report to the next meeting on the outcome of the Risk Management Refreshment Exercise scheduled for April 2005.**

525. OMBUDSMAN INVESTIGATIONS

The Committee noted that six cases had been submitted to the Commissioner for Local Administration since the last meeting. The Commissioner had discontinued his investigation in three of the cases and had declined to pursue an investigation in the remaining three.

526. ADJUDICATION PANEL FOR ENGLAND – RECENT CASES

The Committee noted, and discussed, the history of four cases which had been adjudicated by Case Tribunals and noted the penalties imposed.

527. COMPLAINTS MADE AGAINST MEMBERS OF RUNNYMEDE BOROUGH COUNCIL

The Committee was pleased to note that no complaints had yet been made against any Members of the Council.

528. LOCAL INVESTIGATIONS

(Ref: Minutes of Standards and Audit Committee, September 2004, para. 200, page 274)

Regulations allowing completed reports by Ethical Standards Officers to be referred to the Local Monitoring Officer had been made at the end of 2003, and in February 2004 this Committee had agreed the procedures which would be followed in considering such a report. Further Regulations had now been made whereby Ethical Standards Officers could refer a complaint to a Local Monitoring Officer before, or during, investigation. The Standards Board for England had issued guidance on such local investigations for Monitoring Officers and Standards Committees. Members noted this document.

The Council had already agreed a "Procedure for Local Determination of Allegations against Members (following investigation by an ESO)". It would only require consequential amendments to deal with a situation where the investigation had been carried out by the Monitoring Officer rather than an Ethical Standards Officer. Members therefore agreed that the Monitoring Officer should review the procedure in conjunction with the annual review of the Constitution, to ensure that it read consistently with the new Regulations. There was no need for this Committee to recommend changes to procedure at this stage.

Finally, Members noted that Spelthorne Borough Council had arranged a joint training session with Runnymede for 10 March 2005.

**RESOLVED that –**

- i) the Monitoring Officer be instructed to review Standing Order 51 and its Annexed procedure in the light of the Local Authorities (Code of Conduct) (Local Determination) (Amendment) Regulations 2004, in conjunction with the annual review of the Constitution; and**
- ii) the Monitoring Officer identify suitable training opportunities for any Members of the Committee unable to attend the session on 10 March.**

Chairman

(The meeting ended at 9.15 p.m.)