

Runnymede Borough CouncilSTANDARDS AND AUDIT COMMITTEE17 February 2004 at 7.30 p.m.

Members of the Committee present: Councillors Ms C.M. Simmons (Chairman), A.P. Tollett (Vice-Chairman), E.G. Barrett, A.J. Davis, Mrs E.E. Price; and Dr. R.F. Miller and Mrs C.M. Spurling (Independent Members)

Members of the Committee absent: None

701. MINUTES

The Minutes of the meeting of the Committee held on 16 September 2003 were confirmed and signed as a correct record.

702. DECLARATIONS OF INTEREST

Councillor Mrs E.E. Price declared a personal and prejudicial interest under the Runnymede Code of Conduct for Members in respect of page 13 of Exempt Appendix One, and withdrew from the room when this page was discussed.

703. INTERNAL AUDIT

(Ref: Minutes of Standards and Audit Committee, September 2003, page 647, para. 311).

The Committee received a comprehensive report which set out the Internal Audit Plan for 2004/2005, explained the staffing shortfalls which had impeded performance in 2003/2004, and drew attention to certain internal control functions which warranted special reference. Finally, it reported progress made in implementing previous Audit recommendations across the range of Council services.

Members noted that 264 days were allocated in 2004/2005 to the auditing of the five Council departments. Another 20 days would be spent on computer audit, another 20 on contracts, and 26 days on corporate work. An additional 50 days would be reserved for unforeseen work and consultancy.

The Committee had been informed of Internal Audit's staffing difficulties at its last meeting, and were disappointed to learn that the situation had not improved despite the best efforts of management to remedy the situation. The staffing problem had adversely affected the performance of the 2003/2004 Audit Plan, even though consultants and agency staff had been brought in. It was now anticipated that 8 or 9 audits would not be completed as opposed to the 6 mentioned in the Agenda report. This would inevitably draw some criticism from the Audit Commission. It was now proposed to put approximately half the section's workload out to external suppliers, with a prospective start date of April 2004. Sixteen consultants, with experience of Local Government, had been invited to tender.

The Committee then considered two specific areas where Audit investigation had shown cause for concern. The Chief Internal Auditor gave assurances that one issue (regarding searches) had been investigated by Officers and was considered now to be under control. The issue relating to 'unofficial' invoices had not been investigated by Internal Audit due to the staffing situation, and was currently being resolved by the Director of Finance. The Committee requested the Chief Internal Auditor to report back when the extent of the issue was known.

Finally, the Committee paid careful attention to Exempt Appendix One which detailed Audit's recommendations across the range of Council services and the extent to which compliance had been achieved. Members made a number of specific comments and recommendations which would be actioned by the appropriate Officers.

Given that the next meeting was scheduled for September, the Members asked the Director of Finance to keep them informed (by e-mail preferably) of the on-going staffing/consultant situation.

The Committee also asked that they receive progress reports individually on the 2004/2005 Audit Plan.

704. RISK MANAGEMENT STRATEGY

(Ref: Minutes of Standards and Audit Committee, September 2003, page 649, para. 320).

The consultants, Zurich Management Services, had identified 32 risks which had been scored against the Council matrix. The Council's priority assessment of these risks had been overlaid on the matrix, so that a clear pattern had emerged (see Appendix A herewith).

Members noted that the following action would be required:

- i) An action plan to be compiled for each of the risk clusters shown in the risk profile.
- ii) A lead Officer to be identified for each risk.
- iii) Protocols to be established for controlling and monitoring the risks both corporately and departmentally.
- iv) Decisions as to how this work will be developed to incorporate operational risks.
- v) Achieve Member commitment to the process.

One of the key objectives of this exercise would be to reduce the risk exposure of the Council to those risks that lay outside its "appetite" for risk. Another would be to review those risks that had been identified as low impact and low likelihood to ensure that too many resources were not being devoted to the control of these risks.

It was noted that responsibility for reviewing and monitoring the Risk Management Strategy would be overseen at Officer level by the Chief Officers Management Team.

RESOLVED that –

the Corporate Management Committee be asked to note this report.

705. MEMBERS' INTERESTS – RELEVANCE OF PERSONAL CAPACITY

Members noted the details of a recent case determined by the Court of Appeal. A Member of a Yorkshire authority, attending its Planning Committee, had argued unsuccessfully that he had the right to speak in a personal capacity.

The Court of Appeal had decided

- i) That regardless of the fact that he was not a Member of the Planning Committee, the Code of Conduct still applied to him in relation to the meeting.
- ii) That it would have been wrong to allow him to speak in his "personal" capacity. A Member cannot divest himself of his official capacity as a Councillor simply by declaring that he attends in his private capacity.
- iii) That although it was up to the Member to decide whether he had a prejudicial interest, rather than the Committee or the Officers, in the circumstances of the case he could not rationally have decided that he did not have a prejudicial interest.

The Court also said that in practical terms it was extremely difficult for a Councillor in such a position to separate points which he might wish to make in a personal capacity from points which he might argue in his official capacity as a Member, and this was borne out by the correspondence in the case. This lent weight to the conclusion that a Member could not properly speak in any capacity if he had a prejudicial interest.

The Committee felt that the Court's judgement confirmed their view of the Code of Conduct.

706. DETERMINATION BY THE STANDARDS AND AUDIT COMMITTEE OF ALLEGATIONS OF BREACH OF THE CODE OF CONDUCT

(Ref: Minutes of Standards and Audit Committee, September 2003, page 648, para. 318)

The Committee received a comprehensive report which recommended the procedures that should be employed by this Council when investigating a report referred to it by an Ethical Standards Officer (ESO) of the Standards Board for England after investigation. These procedures arose under the first instalment of Regulations made under Section 66 of the Local Government Act 2000. Further Section 66 Regulations were expected dealing with the reference of complaints from an ESO to a local Monitoring Officer before the investigation was completed.

Members carefully considered each stage of the suggested procedure and made minor amendments (see Appendix B).

The Committee also agreed (with one Member dissenting) that the whole Committee should sit as the Hearings Sub-Committee, and that the said Sub-Committee should be chaired by one of the independent Members to ensure impartiality.

RESOLVED that –

- i) the procedure set out at Appendix B be adopted for use in local determinations;**
- ii) a Hearings Sub-Committee be appointed comprising the full membership of the Standards and Audit Committee; and**
- iii) the said Sub-Committee be chaired by one of the independent (i.e. non-Council) Members.**

707. OMBUDSMAN INVESTIGATIONS

The Committee noted that four cases had been submitted to the Commissioner for Local Administration since the last meeting. Two had been dismissed as there was no evidence of maladministration, and another had not been investigated as the statutory appeal procedure had already been used. One case, lodged in October 2003, was still under consideration.

A Member believed that a further specific complaint had not been listed. Officers said that only four cases for report were ascertained from the Chief Executive Officer's central file at the date of completion of the agenda, but a check would be made with the department assumed to be the focus of the alleged complaint.

708. ADJUDICATION PANEL FOR ENGLAND – RECENT CASES

The Committee noted, and discussed, the histories of a number of cases which had been adjudicated by Case Tribunals and the penalties imposed.

709. COMPLAINTS 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.

710. ANNUAL ASSEMBLY OF STANDARDS COMMITTEES

The third Annual Assembly of Standards Committees would be held on 13/14 September 2004 in Birmingham. Any Member who wished to attend was asked to contact the Director of Administration and Leisure.

Chairman

(The meeting ended at 10.05 p.m.)