

Standards Committee

A meeting of Standards Committee was held on Thursday, 31st March, 2011.

Present: Mr F W Hayes(Chairman), Mr M Armstrong(Vice-Chair), Cllr Paul Baker, Mr T Bowman(Parish Representative), Mr R. Mosley(Substitute Parish Representative), Cllr John Fletcher(Substitute Elected Member) and Mr Chris Nestor (Substitute Independent Member)

Officers: Mr T. Beckwith(CESC) Mr D.E Bond, Mr A. Squires and Miss K. Wannop(LD)

Also in attendance: None

Apologies: Mrs E Chapman, Cllr Ken Dixon, Cllr Bill Noble and Mr C.V Algie

S **Declarations of Interest**

77/10

There were no interests declared.

S **Review of Internal Audit**

78/10

Members considered a report that provided details of the review of the Internal Audit Service for 2010/11.

Under the Accounts and Audit (Amendment) Regulations 2006 an internal review of the Internal Audit service should be carried out each year. This was the report of the fifth such review and followed that reported to the Audit Committee on 12th April 2010. The current review had again been conducted under the auspices of the Corporate Governance Group. Two members of the Group had reviewed evidence and had formulated conclusions, findings and recommendations regarding the service.

The process had involved the following:-

- detailed consideration of the previous report, conclusions and recommendations
- a review of the 2010/11 Internal Audit Strategy Compliance Evidence report
- a review of benchmarking data
- a further assessment of the service against CIPFA's Code of Practice for Internal Audit Checklist and a review of evidence to support relevant outcomes within the checklist
- an interview with the Chief Internal Auditor
- consideration of the Annual Governance Report and Quarterly Internal Audit Progress Reports
- customer feedback information

There remained no issues of significance outstanding. Further to the last report, the escalation procedure for ensuring actions arising from Audits were completed (10.3.2) had itself been monitored and audited. It was therefore considered that the requirement for robust monitoring was being fulfilled. The CIPFA Code of Practice Checklist for Stockton needed to be updated to reflect the comments in the previous and the current reviews and the changes envisaged structurally.

The Audit Commission undertook its last three yearly review of the Service in

2008/09. The overall assessment was that Internal Audit meets the requirements of the CIPFA Code for each of the eleven standards: scope; independence; ethics; Audit Committee; relationships; staffing; training and CPD; audit strategy and planning; undertaking audit work; due professional care; reporting; and performance, quality and effectiveness.

Everything that Officers had seen, read and heard in the course of this review continued to support this assessment.

The process of checking whether recommendations from Audits had been implemented began on 1 October 2009 and were reported on a quarterly basis to Audit Committee.

Internal Audit remained a key factor in all assessments of the Council's Use of Resources and Governance Arrangements which had resulted in judgements that the Council demonstrates a high level of performance.

There was only one matter that had arisen from this review which justified a specific recommendation and that concerned the audit strategy and the need to ensure that it was reviewed and, if appropriate, revised on a regular basis.

The Chief Internal Auditor had continued to report in person to both Audit and Standards Committee, in order to highlight the outcomes of Internal Audit's work and any issues regarding the Authority's governance, and the governance of partnerships. As was evident from each of the Annual Reports, this reporting and the work to which it related was fundamental to the effective performance of the Audit Committee and the Standards Committee, and was a key element of the support made available to the Monitoring Officer.

The conclusion of the Officers undertaking this review was that the evidence and views received demonstrated that the Internal Audit Service had satisfactory and appropriate arrangements and procedures in place in order to fulfil its duties and that it had continued to build on its performance and reputation.

There was one recommendation arising from this Review, this was that:

Relevant documentation including the Strategy and Compliance evidence in the Code of Practice Checklist should be amended during 2011/12 to reflect national and local organisational change.

RESOLVED that the information be noted.

**S
79/10**

The Standards Committee's Annual Report 2010/11

Consideration was given to a report that provided the Committee with an opportunity to consider its Annual Report for 2010/11.

The production of annual reports was an important part of the Council's performance monitoring, reporting and planning procedures.

Monitoring, planning and reviewing the work of the Standards Committee

equally should include an annual reporting process as best practice.

Members were provided with a draft of the Committee's Report for 2010/11. This would be the sixth such Annual Report.

As in previous years, the purpose of the Annual Report was not only to provide an overview of the work of the Committee in the past year, but also to identify and promote examples of best practice and to provide an opportunity to review and learn from experience. The Report therefore, again outlined the Committee's statutory responsibilities, summarised how they had been discharged during 2010/11 in accordance with the Council's Constitution, legislative requirements and relevant Government guidance, and drew attention to those issues that would require attention in the year ahead.

This year the Annual Report had been prepared in the context of significant changes proposed to the national standards regime and identified in the Localism Bill. The content of the Annual Report reflected this emerging picture.

The Committee was asked to consider and provide any comments on the draft, in order to inform the final version.

Consultation was being undertaken with other officers, the relevant Cabinet Member; the Head of Legal Services as Deputy Monitoring Officer; the Head of Democratic Services; the Corporate Management Team (including the Chief Executive as Head of Paid Service and the Corporate Director of Resources as Section 151 Officer) and the Corporate Governance Working Group which included the Chief Internal Auditor.

Subject to the outcome of this consultation, and the Standards Committee's comments, it was proposed that the Director of Law and Democracy be given delegated authority to finalise the Report, in consultation with the Chair and Vice Chair of the Committee.

The Report would, as usual, also be presented to the Audit Committee and to Cabinet/Council.

The finalised Report would then be brought to the attention of all Members of the Council and would also be placed on the intranet and internet. In addition a copy would be provided for each member of the Standards Committee for information.

RESOLVED that:

1. the draft annual report be agreed ;
2. the Director of Law and Democracy be authorized to finalise the Report, in consultation with the Chair and Vice-Chair of the Committee, following the conclusion of the consultation specified at paragraph 7 of the Committee Report; and
3. that the final version of the Annual Report be brought to the attention of all Members of the Council and also brought back to a future meeting of the

Standards Committee for information.

S **The Monitoring Officer's Annual Report 2010/11**

80/10

Members considered a report which provided the Committee with an opportunity to consider and comment upon the initial draft of the Monitoring Officer's Annual Report for 2010/11.

The production of annual reports was an important part of the Council's performance monitoring, reporting and planning procedures.

It was appropriate that this applied equally to the work of the Monitoring Officer (as a statutory officer, with attendant duties and responsibilities).

Members were provided with an early draft of the Monitoring Officer's Report for 2010/11.

The Committee was asked to consider and provide any comments on the draft Report. The Report would be the subject of consultation with other Officers; the relevant Cabinet Member; the Head of Legal Services as Deputy Monitoring Officer; the Head of Democratic Services; the Corporate Management Team and the Corporate Governance Working Group. It would also be considered by Audit Committee, Cabinet and Council.

RESOLVED that the draft report be agreed.

S **Messages from the Standards Committee**

81/10

Members considered a report that provided details of messages from the Committee which had been publicised since the most recent meeting. At the Standards Committee meeting on 12 February 2010 it was agreed that a programme of messages from the Committee should be implemented in accordance with the arrangements outlined in the report. The Committee was provided with a copy of the message which had been publicised in February 2011. This related to the standards regime and the proposed changes in the Localism Bill. The message had been published on the council's website; circulated to council receptions, libraries, community centres, Tees Active, Tristar and to Town/Parish Councils. Further messages would be publicised over the coming months and details would be reported to the next available Committee meeting. It was intended that some of these would relate to the proposed changes to the standards regime.

RESOLVED that the information be noted.

S **Local Assessment - Case Studies**

82/10

Members considered a case study and discussed what decisions they would make.

S **Information/Discussion Item**

83/10

Members of the Committee considered the following items:-

1. Local Government Standards – LGG/ACSeS Paper

This included a summary of the changes to the standards regime proposed by the Localism Bill .

RESOVLED that the information be noted.

S
84/10

Standards Committee Forward Plan 2011/12

Consideration was given to the updated version of the Standards Committee Forward Plan. Members were again asked to consider whether there were other matters which should be included in the programme for future meetings. Members also received the Councils Statutory Forward Plan.