

AUDIT AND STANDARDS COMMITTEE

Tuesday, 3rd July, 2012 at 6.00 p.m.
in Committee Room 3, The Council House, Dudley

PRESENT:-

Councillor Zada (Chair)
Councillor Arshad (Vice-Chair)
Councillors Branwood, Burston, Cowell, Hill, Taylor, Tyler and Mrs. Westwood.

Officers

Treasurer, Head of Audit Services, Chief Executive; Director of Corporate Resources, Assistant Directors of Corporate Resources (Law and Governance) and (HR and Organisational Development), Audit Manager and Principal Auditors (All Directorate of Corporate Resources); Assistant Director Policy and Improvement (Chief Executive's Directorate) and Mr. J. Jablonski.

Also in Attendance

Ms. Pik Ling Ho, Team Leader – Audit Commission.

1 **DECLARATIONS OF INTEREST**

No Member made a declaration of interest, in accordance with the Members' Code of Conduct, in respect of any matter to be considered at this meeting.

2 **MINUTES**

RESOLVED

That the minutes of the meetings of the former Audit Committee held on 19th April, 2012 and of the former Standards Committee held on 8th March, 2012 be approved as correct records and signed.

3 **AUDIT COMMISSION AUDIT COMMITTEE UPDATE**

A report of the Treasurer was submitted on a report published by the Audit Commission updating Audit Committee members across Local Government. A copy of the Audit Committee update was attached as an Appendix to the report submitted.

Following a brief introduction and comments by Ms Pik Ling Ho, a Team Leader with the Audit Commission, it was

RESOLVED

That the information contained in the report, and Appendix to the report, submitted on an Audit Committee Update published by the Audit Commission, be noted.

4 INTERNAL AUDIT SERVICES ANNUAL PERFORMANCE REPORT_2011/2012

A report of the Treasurer was submitted on an overview of the performance of the Dudley Audit Services in the year to 31st March, 2012 and also on the opinion of the Head of Audit Services on the effectiveness of the Council's system of internal control.

Following a presentation of the content of the report and related Appendices to the report submitted, lettered A to E, members were complimentary as to the performance of Audit Services contained in the report, and Appendices to the report, submitted.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted on the performance of Internal Audit Services in 2011/12, be accepted together with the opinion of the Head of Audit Services on the effectiveness of the Council's system of internal control as set out at Appendix F to the report submitted.

5 ANNUAL REVIEW OF INTERNAL AUDIT

A report of the Treasurer was submitted on the Annual Review of the effectiveness of Internal Audit that will form part of the Annual Governance Statement for the financial year 2011/2012.

Arising from consideration of the report, and the Appendices to the report, submitted members made particular comments on the comparison of costs for Internal Audit, set out at paragraph 9 of Appendix 1 to the report, and complimented the officers concerned for the favourable comparisons shown in relation to this Council.

RESOLVED

That the information contained in the report, and Appendices to the report, submitted on the review of the effectiveness of Internal Audit be accepted.

6

ANNUAL GOVERNANCE STATEMENT

A report of the Treasurer was submitted on the Annual Governance Statement that was to accompany the accounts for the financial year 2011/2012.

RESOLVED

That approval be given to the Annual Governance Statement, as set out in Appendix C to the report submitted, and that it be referred to the Leader of the Council and the Chief Executive for signature.

7

LOCALISM ACT, 2011 – THE NEW STANDARDS ARRANGEMENTS

A report of the Monitoring Officer was submitted on necessary actions to implement the new standards arrangements arising from the enactment of the Localism Act, 2011 on 15th November, 2011.

Attached as an Appendix to the report submitted were a draft Members' Code of Conduct and a draft form entitled Register of Members' Disclosable Pecuniary and Other Interests.

The Monitoring Officer outlined the content of the report, and Appendices to the report, submitted and in doing so updated the Committee on the position regarding the appointment of Independent Persons. He reported that, arising from interviews held on 25th June, 2012, he would recommend that a Mr. Fred Bell and a Mr. Thomas Turner be appointed as Independent Persons under the provisions of the Localism Act and that, pursuant to transitional provisions contained in Regulations made under the Act, the Bishop of Dudley, and Mrs. Valerie Ainsworth, Independent Members of the former Standards Committee, be appointed as Independent Persons for the period ending with the Annual Meeting of the Council on 16th May, 2013.

Regarding the provision of training in respect of the new arrangements it was reported that three dates for the holding of training had been agreed and that these were 19th July, 22nd August and 11th September, 2012.

It was also likely that a fourth date would be added in due course.

Consideration was also given to the appointment of a Standards Sub-Committee, with proportionality waived, comprising four members of this Committee, two from each political group, and in this connection Councillors Cowell, Taylor, Mrs. Westwood and Zada agreed to serve on the Sub-Committee.

RESOLVED

1. That the Council be recommended to:-
 - a Adopt a new local Members' Code of Conduct as set out in Appendix 1 to the report submitted.
 - b (i) Appoint the Bishop of Dudley and Mrs. Valerie Ainsworth as Independent Persons for the period ending with the Annual Meeting of the Council on 16th May, 2013, pursuant to the transitional provisions contained in Regulations made under the Localism Act, 2011.

(ii) Appoint from Mr. Fred Bell and Mr. Thomas Turner as Independent Persons under the provisions of the Localism Act, 2011, for a four year period ending with the Annual Meeting of the Council in May, 2016.
 - c Endorse the arrangements for registering and declaring interests as referred to in the Code of Conduct and the form set out in the Appendix.
 - d Authorise the Monitoring Officer to make consequential amendments to the Constitution and Procedure Rules to include references to the revised arrangements for the disclosure of Members' Interests.
 - e Authorise the Monitoring Officer, in consultation with an Independent Person and the Chair of the Audit and Standards Committee, to grant dispensations to Councillors and Co-opted Members from requirements related to interests set out in the Members' Code of Conduct and to individual requests being referred to the Standards Sub-Committee in appropriate circumstances.

- f Authorise the Monitoring Officer to produce local arrangements and procedures for dealing with standards allegations and complaints made under the Members' Code of Conduct.
 - g Approve the provision of mandatory training to all Members of the Council and Co-opted Members on the provisions of the local Members' Code of Conduct.
2. That a Standards Sub-Committee be established to hear and determine complaints against Members and Co-opted Members under the provisions of the Members' Code of Conduct and in accordance with the local procedures and that the Sub-Committee comprise four Elected Members, two from each political group represented on the Committee, with proportionality waived as to Membership, and that Councillors Cowell, Taylor, Mrs. Westwood and Zada comprise the membership of the Sub-Committee.

8

EXCLUSION OF THE PUBLIC

That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act, 1972, as indicated below: and that in all the circumstances, the public interest in disclosing the information is outweighed by the public interest in maintaining the exemption from disclosure.

<u>Description of Item</u>	<u>Relevant Paragraph of Part I of Schedule 12A</u>
Suspensions under the provisions of the Employee Improvement and Disciplinary Procedure	1
Annual Audit Report in relation to the Chief Executive's Directorate	2 & 7
Annual Audit Report in relation to the Directorate of Corporate Resources	2& 7

9

SUSPENSIONS UNDER THE PROVISIONS OF THE EMPLOYEE_ IMPROVEMENT AND DISCIPLINARY PROCEDURE

A report of the Director of Corporate Resources was submitted on the number of employees suspended pending an investigation into allegations of gross misconduct during the financial year 2011/12 with comparisons with previous years.

Arising from the presentation of the report submitted and responses given to questions raised by Members, Members were asked to contact the Assistant Director HR and Organisational Development direct should they have any further questions they would wish to raise in particular regarding the table giving details of Disciplinary Suspensions set out at paragraph 15 of the report submitted.

RESOLVED

That the information contained in the report submitted be noted.

10 ANNUAL AUDIT REPORT IN RELATION OT THE CHIEF EXECUTIVE'S DIRECTORATE

A report of the Treasurer was submitted on the audit work undertaken in the Chief Executive's Directorate for the financial year 2011/12 and incorporating details of the more important findings.

RESOLVED

That the findings of the 2011/2012 audit work be accepted.

11 ANNUAL AUDIT REPORT IN RELATION TO THE DIRECTORATE OF CORPORATE RESOURCES

A report of the Treasurer was submitted on the audit work undertaken in the Directorate of Corporate Resources for the financial year 2011/12 and incorporating details of the more important findings.

Arising from the presentation of the report submitted the Head of Audit Services undertook to provide Councillor Taylor with the further details requested at the meeting in relation to audit findings in respect of HR First.

In relation to audit findings in respect of Corporate Risk Management it was noted that the Head of Audit would prepare a report on benchmarking of Audit Committee agendas within the West Midlands for consideration by the Chair.

RESOLVED

That the findings of the 2011/12 audit work be accepted.

The meeting ended at 8.05 p.m.

CHAIRMAN