

Audit Report

Chief Executive's Department

**Subject: Members Code of Conduct - Locally
Managed Framework**

Audit Assurance: High

Date Issued: 10 March 2009



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The assistance of staff in providing help and hospitality during the audit is gratefully acknowledged.

REPORT DISTRIBUTION

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Background

The Local Government and Public Involvement in Health Act 2007 was passed by Parliament on 30 October 2007 when it received Royal Assent. The Act includes important amendments to the Local Government Act 2000, including the introduction of a locally managed framework of compliance with the Member Code of Conduct and a new regulatory role for the Standards Board for England. This means that from 5 May 2008, KCC's own Standards Committee is responsible for making initial assessments of misconduct allegations, and most cases will be handled locally.

The Standards Board for England has issued guidance on the role and make-up of the Standards Committee and also issued guidance and toolkits on the Local Assessment of Complaints by the Standards Committee.

Overall Audit Assurance

Based on the findings in this audit, there is **High** assurance that risks, which could prevent achievement of business objectives pertaining to the audited system, are managed effectively.

Risks Examined	Control Assurance			
	High	Substantial	Limited	Minimal
KCC may not have formally adopted the Locally Managed Framework under the Member Code of Conduct.	✓			
The composition of the Standards Committee may not comply with the guidance issued by the Standards Board for England.	✓			
The role of the Standards Committee may not comply with the guidance issued by the Standards Board for England.	✓			
Guidance on Local Assessment of Complaints may not be adopted, publicised and applied.	✓			
Overall Assurance	✓			

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No recommendations have been made for this audit.

Definitions of our assurance levels can be found in Appendix 1.

Summary of Findings

Risk 1: KCC may not have formally adopted the Locally Managed Framework under the Code of Conduct for Members.

We confirmed that in their meeting dated 22 May 2008, the Standards Committee resolved to set up and also agreed the Terms of Reference of the Assessment Sub-Committee and the Review Sub Committee as required to discharge the responsibilities required under the Locally Managed Framework.

However we found that the Terms of Reference of the Standards Committee itself have not been updated to reflect the changes brought about by the provisions of the Locally Managed Framework. We have been informed that this will be done in the next update of the Constitution which is due in April / May 2009.

Risk 2: The composition of the Standards Committee may not comply with the guidance issued by the Standards Board for England.

The composition of the Standards Committee was verified and is in accordance with the guidance issued by the Standards Board. We confirmed that the Committee has six members; one from each political party plus three independent members. The Chairman was selected from one of the independent Members.

We also established that the Assessment and Review Sub-Committees have been set up and were appointed to appropriately according to guidance.

Risk 3: The role of the Standards Committee may not comply with the guidance issued by the Standards Board for England.

It was verified that the role undertaken by the Standards Committee is compliant with the guidance relating to the monitoring and assessment of complaints. Within this role, the Monitoring Officer is responsible for making quarterly and annual returns to the Standards Board. We confirmed that these reports had been electronically completed and were accurate and up to date. Since April 2008, there have been five complaints received under the new framework, three have been assessed and completed with “no further action” taken. The other two are ongoing and are being dealt with correctly.

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Risk 4: Guidance on Local Assessment of Complaints may not be adopted, publicised and applied.

We established that the guidance on Local Assessment of Complaints and the associated forms from the toolkit issued by the Standards Board for England has been adopted by KCC's Standards Committee.

It was verified that the complaints process has been published on the Authority's website. Details on the website show where complaints should be sent and the process for the complainant to follow. Further details of the Standards Committee and their responsibilities can be accessed via links on KCC's website. We acknowledge that the complaints system has been advertised electronically and in accordance with the guidance for the Local Assessment of Complaints. However, this media is not available to all members of the public and consideration should be given to another form of advertising such as an advert in a local newspaper or a notice placed in a public area such as local libraries.

Finally, as part of our fieldwork we attended a meeting of the Assessment Sub Committee (on 28 January 2009) and were able to confirm that the process followed the guidelines in the Local Assessment of Complaints.

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Appendix 1

DEFINITIONS OF AUDIT ASSURANCES

ASSURANCE LEVEL	SUMMARY DESCRIPTION	DETAILED DEFINITION
High	Strong controls in place and complied with.	The system/area under review is not exposed to foreseeable risk, as key controls exist and are applied consistently and effectively.
Substantial	Controls in place but improvements beneficial.	There is some limited exposure to risk of error, loss, fraud, impropriety or damage to reputation, which can be mitigated by achievable measures. Key or compensating controls exist but there may be some inconsistency in application.
Limited	Improvements in controls or the application of controls required.	The area/system is exposed to risks that could lead to failure to achieve the objectives of the area/system under review e.g., error, loss, fraud/impropriety or damage to reputation. This is because, key controls exist but they are not applied, Or there is significant evidence that they are not applied consistently and effectively.
Minimal	Urgent improvements in controls or the application of controls required.	The authority and/or service is exposed to a significant risk that could lead to failure to achieve key authority/service objectives, major loss/error, fraud/impropriety or damage to reputation. This is because key controls do not exist with the absence of at least one critical control, Or there is evidence that there is significant non-compliance with key controls.