

## INTERNAL AUDIT REPORT

**FROM:** Audit and Risk Manager      **SUBJECT:** Committee Services  
**TO:** Deputy Chief Executive (AJ)      **DATE:** 2 February 2018  
**C.C.** Chief Executive  
Head of Finance  
Democratic Services Manager  
and Deputy Monitoring Officer  
Senior Committee Services  
Officer  
Portfolio Holder – Cllr. Mobbs

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### 1 Introduction

- 1.1 In accordance with the Audit Plan for 2017/18, an examination of the systems and procedures in place to manage the Committee Services (CS) function has been undertaken and this report presents the findings and conclusions drawn from the audit for information and action where appropriate.
- 1.2 Wherever possible, findings have been discussed with the staff involved in the procedures examined and their views are incorporated, where appropriate, into the report. My thanks are extended to all concerned for the help and cooperation received during the audit.

### 2 Background

- 2.1 The CS team, which basically comprises three posts, sits within Democratic Services (DS) in the Chief Executive's service area. DS is itself quite a small team which, in addition to managing all of the aspects of the committee process, deals with elections and electoral registration, data protection and information governance and Chairman and member support. Inevitably, in a small team, there is some support provided to other parts of the team especially in times of absence or a peak in the workload e.g. election time.
- 2.2 The main role of CS is basically to manage the council's democratic process and to provide support to members. This involves all aspects of arranging and managing meetings, the publication and distribution of agendas, reports and minutes, gaining agreement to and publishing minutes, monitoring decisions and providing support to the Chairman and members.
- 2.3 The revised estimate for 2017/2018 for CS is £367,200.

### 3 Scope and Objectives of the Audit

- 3.1 The audit was undertaken to test the management and financial controls in place.

- 3.2 In terms of scope, the audit covered the following areas:
- Procedural and regulatory documentation
  - Staff resources
  - Performance monitoring
  - Publication
  - Security and risk
  - Financial performance and budget monitoring
- 3.3 The audit programme identified the expected controls. The control objectives examined were:
- The council's democratic processes adhere to statutory and regulatory requirements.
  - Appropriate procedural documents and policies are maintained and are adhered to.
  - Staffing resources are deployed appropriately.
  - The service provides appropriate levels of support to members to allow them to fulfil their roles.
  - The future needs of the democratic processes are reviewed and are planned for.
  - Appropriate independent and in-house monitoring is undertaken to highlight areas of non-compliance and areas for improvement.
  - Meetings are publicised and the relevant documentation is made available to all interested parties.
  - The democratic processes operate in a safe environment for members, officers and visitors.
  - Risks are appropriately recorded in the risk register.
  - All relevant documentation (agendas & minutes etc.) is securely retained.
  - Data security is appropriately dealt with.
  - Budgets are set at appropriate levels and are monitored on a regular basis.

## 4 Findings

### 4.1 Recommendations from Previous Reports

- 4.1.1 The last report on CS was issued on 26 September 2014 and it contained one recommendation. The response at the time and the current position are detailed overleaf:

Recommendation	Management Response	Current Status
<p>Future phases for both CMIS development and Councillor iPad roll-out (if pursued) should follow PRINCE2 methodology utilising the corporate project resources.</p>	<p>Agreed. The development of CMIS is currently at a pause to enable discussions with our supplier on this area. When development resumes this will be built around a robust business case and plan.</p> <p>With regard to the iPad project this will be developed as part of the review of the current trial in December 2014.</p>	<p>CMIS development has not progressed since the last audit.</p> <p>The iPad project wasn't driven by Committee Services but by ICT and will be considered by the Councillor IT working party.</p> <p>The one aspect which is being trialled is the use of a secure APP to access documents. This is part of the Councillor IT working party and depending on trial a business case and project plan will be developed for this aspect. This is due for review when the Cllr ICT working party next meets which should be in February or March 2018.</p> <p>With regard to wider project management the team are working on a joint project with IT and the Website Manager to change the system for public speakers which was developed via a business case and highlight reports are submitted, as appropriate, to the Application Support Manager for monitoring.</p>

## 4.2 Procedural & Regulatory Documentation

- 4.2.1 Fortunately, changes to the democratic process required by legislation are relatively rare and when they occur they are well publicised in the relevant media and information sources. The last significant piece of legislation was The Local Government Act 2000 which introduced the Executive model and created the overview and scrutiny role.
- 4.2.2 Any changes necessary will become apparent in a number of ways such as updates from the LGA, alerts from the Association of Democratic Services Officers (ADSO), meetings of the Warwickshire Heads of Legal, local

government magazines and websites and national media. The array of reference material and the availability of advice from different sources negates the need to hold any central hard copy or electronic reference material on the administration of committees.

- 4.2.3 Any significant changes to the democratic process that impacted on members would be addressed by the provision of in house training or reports to them depending on the nature and complexity of any changes.
- 4.2.4 There are in place a Code of Conduct for Members and a Member/Officer Protocol, both of which were last approved by council on 25 February 2015. Compliance with the Code of Conduct can be evidenced for certain aspects such as declarations of interest in agenda items, declarations of pecuniary interest and receipt of gifts and hospitality but other aspects such as conduct can only be judged on an exception basis and then dealt with accordingly.
- 4.2.5 Members provide or update details of their pecuniary interests en bloc following a full election and this together with other information is published on the members' pages on the council's website. Members elected following by elections provide the details shortly after election. It is left to members to notify CS of any relevant changes during the term of the council. Members' interests in agenda items are recorded before the start of the meeting or during the meeting if an otherwise unnoticed interest becomes apparent and, again, these are published on the website.
- 4.2.6 Members are required to declare the receipt of gifts or hospitality with a value greater than £25 and any declarations are made public. It is left to members' discretion to decide if it is appropriate to accept a gift or not.
- 4.2.7 There is a wealth of procedural documentation in place governing various aspects of the team's work including the distribution of agendas, the procedure for taking and agreeing minutes and administrative aspects of the committee management system. It was acknowledged that some of the procedures haven't been reviewed for a number of years and it was stated that they are all currently being updated.

#### 4.3 **Staff Resources**

- 4.3.1 As mentioned, the CS team comprises three members of staff but as one works part time it equates to 2.6 FTEs. This means that all of the team must be able to deal with most of the duties in order to accommodate any staff absences or other diversions. It is no longer the case that members of the team only service particular committees or meetings.
- 4.3.2 Staff time is recorded but not by way of a timesheet. All time is charged to CS and then recharged at year end as part of the final accounts process.
- 4.3.3 All of the team are required to attend evening meetings. They are not paid overtime for this but instead they record the time and then take time off in lieu.
- 4.3.4 Any work-related issues facing the team either collectively or individually are dealt with during team meetings, one to ones and the appraisal process.

#### **4.4 Performance Monitoring**

- 4.4.1 There are no formal performance measures in place for the team and no independent studies or peer reviews have been undertaken. There are, though, a number of informal measures in place, particularly with regard to the calendar of meetings, the preparation and publication of agendas and the recording of minutes.
- 4.4.2 The team work to a well-established and detailed timetable that is published at least a year ahead which regulates the preparation of the agenda, receipt of officer reports in CS and the distribution of agendas.
- 4.4.3 All aspects of the quality of the team's work are monitored informally by members and to an extent by the local media. Members see at first hand the performance of the team during meetings and the whole business of any meeting is the agenda that the team has produced and distributed. Any drop in standards would soon be apparent to members and their reaction would soon be apparent.

#### **4.5 Publication**

- 4.5.1 One of the guiding principles of the council and the CS team is to make public as much information as possible and so full details of all meetings and their agendas are made available on the council's website. Agendas are naturally supplied to members and to a range of council officers.
- 4.5.2 When appropriate, agendas will be distributed to the local media, town and parish councils and libraries.
- 4.5.3 Relevant parties will be contacted regarding specific committees (e.g. interested parties for Licensing Panels or Planning Committees etc.), with the relevant department sending them notification letters and CS sending out copies of the relevant reports and agendas where appropriate.
- 4.5.4 All documentation for the meetings is distributed by the Corporate Support Team (CST) in the run up to the meeting taking place. Distribution lists are held for each committee with standard emails being sent to the CST advising them who needs to receive copies of the various documents.
- 4.5.5 A key issue with the publication and distribution of agendas is controlling those items that are classified as confidential and applying appropriate restrictions. This is achieved in part by the distribution lists detailing who is entitled to a full or part agenda and by applying a public or exempt marker against the report on the electronic version of the agenda. Members are able to view confidential items online but only if they have an ID and password.
- 4.5.6 Minutes are formally produced for all meetings and there are some very detailed procedural notes covering their preparation and approval. There is a standard format, although some committees have their minutes in a slightly different format to allow for differing content requirements. Access to minutes where confidential items were on the agenda is again appropriately restricted.

## 4.6 **Security & Risk**

- 4.6.1 The main concerns in the security and risk category are the safety of members, staff and the public during open meetings and site visits and the continuing availability of agendas and minutes. There are several other risks associated with CS but these are mainly of the generic variety.
- 4.6.2 The safety of people during meetings was raised a number of years ago during an audit and resulted in a change to procedures such that now the Chair of a meeting announces at the start what the emergency procedures are. The consequences of some form of attack during a meeting could be very serious but the likelihood remains low as the attendance by members of the public for all but the most sensitive or controversial of items is extremely low and more often than not the number is nil.
- 4.6.3 CS does not have its own risk register but rather the risks feature in the more generic style of register adopted by the Chief Executive's service area. There are fifteen risks identified in the register of which only one (No 12) "Failure to adhere to the Constitution, legislative requirements and guidance by the Council" could be said to be specific to CS.
- 4.6.4 The security of the formal bound copies of the minutes going back to 1974 appears to be acceptable in that they are stored in the Document Store on shelves that are about 18 inches off the floor. Access to the Document Store is controlled by the CST. The room is said to be fireproof but the possibility of a water leak from above couldn't be established. It is assumed that the question would have been answered when the room was chosen to be a document store but it would be worthwhile confirming that there are no water pipes above the ceiling.

### **Risk**

**Documents in the Document Store could be damaged if there was flooding from the floor above.**

### **Recommendation**

**Advice should be sought from the Assets Team regarding the apparent risk of flooding from the floor above the Document Store and, if the risk is deemed to be unacceptable, appropriate action should be taken to mitigate the risk.**

- 4.6.5 Copies of the minutes and agendas are stored electronically in the committee management system going back to around the year 2000. For the period 1974 to 2001 they are stored on a disc that is kept in disc case in a key coded, fireproof cupboard in between Democratic Services and Development Services on Level 3. There is also a copy of the disc stored with it raising the possibility that if one was damaged they both would be. It would seem sensible to store the two discs in different locations and ideally in different buildings.

## **Risk**

**Data could be damaged and difficult to replicate.**

## **Recommendation**

**The discs containing agendas and minutes for the period pre 2001 should be stored in different locations.**

### **4.7 Financial Performance & Budget Monitoring**

- 4.7.1 The annual budget for CS varies little year on year with a lot of the headings being either fairly fixed e.g. salaries, office equipment, printing, postages etc. or recharges from other service areas. There is little room for the manager to exercise discretion. An examination of the budgets for the last three complete financial years revealed some minor variations over some budget headings but overall expenditure was very much as planned.
- 4.7.2 The budget monitoring process concentrates on those headings within a budget that either are causing concern or have the potential to be a problem at the year end and may need some remedial action. In the case of CS the budget headings are not normally subject to much variation so budget monitoring is a fairly simple task. Nonetheless the manager and the Assistant Accountant meet up every couple of months to ensure that progress is as planned.
- 4.7.3 At the year end the whole of the CS budget is recharged to fourteen other cost centres with the main charge being understandably to Democratic Representation. When the rationale for the recharges was queried with the Assistant Accountant the response was that the basis (the percentage) was the same every year, and has been since 2010, as there are no detailed time records to use. The structures and functions of the council have changed a number of times since 2010 so it would be reasonable to review the basis for the recharges to confirm whether they are still relevant and appropriate.

## **Risk**

**Cost centres may be bearing an incorrect proportion of the cost of the Committee Services team.**

## **Recommendation**

**The basis for the recharges of the cost of the Committee Services team should be reviewed to ensure they remain appropriate.**

### **5 Conclusions**

- 5.1 Following our review, we are able to give a SUBSTANTIAL degree of assurance that the systems and controls in place for the management of Committee Services are appropriate and are working effectively.
- 5.2 The assurance bands are shown overleaf:

<b>Level of Assurance</b>	<b>Definition</b>
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, some controls are weak or non-existent and there is non-compliance with several controls.
Limited Assurance	The system of control is generally weak and there is non-compliance with controls that do exist.

5.3 Minor issues were identified relating to the risk assessment processes and related training in these areas and knowledge relating to compliance with the data handling policy.

## 6 **Management Action**

6.1 The recommendations arising above are reproduced in the attached Action Plan (Appendix A) for management attention.

Richard Barr  
Audit and Risk Manager



**Action Plan**

**Internal Audit of Committee Services – February 2018**

<b>Report Ref.</b>	<b>Recommendation</b>	<b>Risk</b>	<b>Risk Rating*</b>	<b>Responsible Officer(s)</b>	<b>Management Response</b>	<b>Target Date</b>
4.6.4	Advice should be sought from the Assets Team regarding the apparent risk of flooding from the floor above the Document Store and, if the risk is deemed to be unacceptable, appropriate action should be taken to mitigate the risk.	Documents in the Document Store could be damaged if there was flooding from the floor above.	Low	Democratic Services Manager and Deputy Monitoring Officer.	I will raise this issue with the Assets Team and then take whatever action, if any, is deemed necessary.	End February 2018.
4.6.5	The discs containing agendas and minutes for the period pre 2001 should be stored in different locations.	Data could be damaged and difficult to replicate.	Low	Democratic Services Manager and Deputy Monitoring Officer.	A set of the discs has been handed to the IT infrastructure team and will be relocated to the safe they have at the Town Hall, for corporate back up tapes etc. on Monday.	5 February 2018.
4.7.3	The basis for the recharges of the cost of the Committee Services team should be reviewed to ensure that they remain appropriate.	Cost centres may be bearing an incorrect proportion of the cost of the Committee Services team.	Low	Democratic Services Manager and Deputy Monitoring Officer.	I have arranged my budget review with my Accountant for next week and flagged this as a specific issue to be reviewed. Once I have had this meeting I will discuss with the Senior Committee Services Officer when they return from leave to validate my thoughts before making amendments.	End February 2018.

\* Risk Ratings are defined as follows:

High Risk: Issue of significant importance requiring urgent attention.

Medium Risk: Issue of moderate importance requiring prompt attention.

Low Risk: Issue of minor importance requiring attention.