

Notice of Meeting

AUDIT AND STANDARDS COMMITTEE

Tuesday, 7 February 2023 - 7:00 - 9:00 pm
Council Chamber, Town Hall, Barking

Members: Cllr Princess Bright (Chair); Cllr Rocky Gill (Deputy Chair); Cllr Dorothy Akwaboah, Cllr Josie Channer, Cllr Manzoor Hussain, Cllr Margaret Mullane, Cllr Adegboyega Oluwole and Cllr Muazzam Sandhu

Independent Advisor (for audit matters only): Stephen Warren

By Invitation: Lisa Blake, Ross Beard and Duncan Wallace

Date of publication: 30 January 2023

Fiona Taylor
Acting Chief Executive

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Please note that this meeting will be webcast via the Council's website. Members of the public wishing to attend the meeting in person can sit in the public gallery on the second floor of the Town Hall, which is not covered by the webcast cameras. To view the webcast online, click [here](#) and select the relevant meeting (the weblink will be available at least 24-hours before the meeting).

AGENDA

- 1. Apologies for Absence**
- 2. Declarations of Interest**
- 3. Minutes - To confirm as correct the minutes of the meeting held on 6 December 2022 (Pages 3 - 8)**
- 4. Council's Accounts Audit Update - 2019/20 and Subsidiaries' accounts audit - 2021/22 (Pages 9 - 10)**
- 5. The Localism Act 2011- Appointment of Independent Persons (Pages 11 - 15)**
- 6. Complaints Update (Pages 17 - 19)**

7. **Work Programme 2022/23 (Page 21)**
8. **Any other public items which the Chair decides are urgent**
9. **To consider whether it would be appropriate to pass a resolution to exclude the public and press from the remainder of the meeting due to the nature of the business to be transacted**

Private Business

The public and press have a legal right to attend Council meetings such as the Audit and Standards Committee, except where business is confidential or certain other sensitive information is to be discussed. The list below shows why items are in the private part of the agenda, with reference to the relevant legislation (the relevant paragraph of Part 1 of Schedule 12A of the Local Government Act 1972 as amended). ***There are no such items at the time of preparing this agenda.***

10. **Any other confidential or exempt items which the Chair decides are urgent**

Our Vision for Barking and Dagenham

ONE BOROUGH; ONE COMMUNITY; NO-ONE LEFT BEHIND

Our Priorities

Participation and Engagement

- To collaboratively build the foundations, platforms and networks that enable greater participation by:
 - Building capacity in and with the social sector to improve cross-sector collaboration
 - Developing opportunities to meaningfully participate across the Borough to improve individual agency and social networks
 - Facilitating democratic participation to create a more engaged, trusted and responsive democracy
- To design relational practices into the Council's activity and to focus that activity on the root causes of poverty and deprivation by:
 - Embedding our participatory principles across the Council's activity
 - Focusing our participatory activity on some of the root causes of poverty

Prevention, Independence and Resilience

- Working together with partners to deliver improved outcomes for children, families and adults
- Providing safe, innovative, strength-based and sustainable practice in all preventative and statutory services
- Every child gets the best start in life
- All children can attend and achieve in inclusive, good quality local schools
- More young people are supported to achieve success in adulthood through higher, further education and access to employment
- More children and young people in care find permanent, safe and stable homes
- All care leavers can access a good, enhanced local offer that meets their health, education, housing and employment needs
- Young people and vulnerable adults are safeguarded in the context of their families, peers, schools and communities

- Our children, young people, and their communities' benefit from a whole systems approach to tackling the impact of knife crime
- Zero tolerance to domestic abuse drives local action that tackles underlying causes, challenges perpetrators and empowers survivors
- All residents with a disability can access from birth, transition to, and in adulthood support that is seamless, personalised and enables them to thrive and contribute to their communities. Families with children who have Special Educational Needs or Disabilities (SEND) can access a good local offer in their communities that enables them independence and to live their lives to the full
- Children, young people and adults can better access social, emotional and mental wellbeing support - including loneliness reduction - in their communities
- All vulnerable adults are supported to access good quality, sustainable care that enables safety, independence, choice and control
- All vulnerable older people can access timely, purposeful integrated care in their communities that helps keep them safe and independent for longer, and in their own homes
- Effective use of public health interventions to reduce health inequalities

Inclusive Growth

- Homes: For local people and other working Londoners
- Jobs: A thriving and inclusive local economy
- Places: Aspirational and resilient places
- Environment: Becoming the green capital of the capital

Well Run Organisation

- Delivers value for money for the taxpayer
- Employs capable and values-driven staff, demonstrating excellent people management
- Enables democratic participation, works relationally and is transparent
- Puts the customer at the heart of what it does
- Is equipped and has the capability to deliver its vision

MINUTES OF AUDIT AND STANDARDS COMMITTEE

Tuesday, 6 December 2022
(7:00 - 8:20 pm)

Present: Cllr Princess Bright (Chair), Cllr Rocky Gill (Deputy Chair), Cllr Dorothy Akwaboah, Cllr Josie Channer, Cllr Manzoor Hussain and Cllr Muazzam Sandhu; Stephen Warren

Also Present:

Apologies: Cllr Margaret Mullane

15. Declarations of Interest

The Independent Advisor (IA) disclosed that he was engaged as a consultant to Public Sector Audit Appointments (PSAA) which appointed the Council's external auditor. The IA disclosed that he had advised on the financial evaluation on the forthcoming tender and the potential impact on the time that would be required as a result of changes in auditing and accounting standards requirements.

The IA assured the Committee that it did not directly affect Barking and Dagenham Council or the appointment of an external auditor. The Chair agreed that this was not a disqualifying interest and permitted the IA to continue to participate in the meeting.

16. Minutes - To confirm as correct the minutes of the meetings held on 12 October 2022

The minutes of the meeting held on 12 October 2022 were confirmed as correct.

17. Audit 2019/20 Completion Update

The Chief Accountant (CA) informed the Committee that the audits of the Council's subsidiary companies for the fiscal year 2021/22 were on track to be completed by the end of December 2022.

The BDO Representative updated the Committee and highlighted the following;

- The previous Senior Audit Manager left BDO in July 2022;
- Handover was hindered because of periods of sickness; and
- The replacement Senior Audit Manager was in the process of completing a detailed review of work yet to be completed, as well as work already completed and subject to earlier review.

The review had, so far, found the following;

- Balance sheet sections were completed though there had been a number of issues raised relating to property, plant and equipment (PPE);
- PPE issues that needed to be addressed included those from the External Quality Reviewer (EQR) that related to approximately to 25% of issues

already addressed. BDO and the Council would focus on the 'harder' points first such as:

- Income and expense areas still to be reviewed
- Pension Fund still to be reviewed – this was the more complete area, and BDO had agreed to focus on main audit first

The BDO Representative then discussed the issue of infrastructure noting that there had been an amendment to the CIPFA/LASAAC Code which removed the need to report gross cost and gross accumulated depreciation in notes to the Statement of Accounts. The Financial Reporting Advisory Board (FRAB) approved this on 18 November 2022.

As a result, a Statutory Instrument was presented to Parliament on 30th November 2022 and it was expected to come into force on 25th December. CIPFA were preparing a bulletin to accompany the amendment and statutory instrument. BDO anticipated that this would be completed by January 2023 and, as a result, the position in relation to infrastructure would be completed at the same time. This in effect would act as an override since auditors would not be required to report gross costs and gross accumulated depreciation on balances brought forward.

BDO's Engagement Lead for 2019/20 and 2020/21 was on sick leave; however, it was anticipated that the Engagement Lead would return in the New Year. Where that was not possible, a new Engagement Lead would need to be appointed and would be required to restart the review process which would cause considerable delay the audit.

The BDO representative also confirmed that a new Senior Audit Manager would be appointed from the end of January 2023 as the existing manager was moving to a new role within BDO.

As a result of the absence of the engagement lead and the change in Senior Audit Manager, it was now unlikely that BDO would be able to complete all of the remaining work by 28th February 2023 as previously indicated. The BDO representative expressed regret at the latest delay but stated that BDO believed that they would be in a position to report in March 2023. However, the BDO Representative added that, whilst the 2020/21 audit could start in March 2023, it would have to be suspended soon after owing to NHS related audits taking place. Major work would not start until the NHS audits were completed which would be in Summer 2023.

The Committee expressed its disappointment and frustration at the latest delay to the 2019/20 audit and expressed scepticism that the March 2023 deadline would be achieved. The Committee also voiced concern at the dependence by BDO on specific members of staff to complete the audit.

BDO responded that staffing, resourcing and capacity was affected by a UK wide crisis in local authority auditing. There was an insufficient number of qualified persons to carry out the work and thus there was no spare capacity. Given the small pool of qualified individuals, where a staff member was ill or left, they often could be replaced quickly and this negatively affected audits. Additionally, given the qualifications, experience, skills and clearance required to audit local

authorities, it was difficult to recruit replacements.

BDO added that the resource being invested in the audit was greater than the PSAA contract envisaged. This requirement for greater resources had contributed to the audit delay. In response to questioning, BDO said that valuations and treatment of group accounts, among others, had created more work than had been anticipated. BDO had opted not to bid for future PSAA contracts as it wanted to focus on the completion of outstanding audits.

The Strategic Director for Finance (SDF) stated that the Council was working closely with BDO to outline actions and mitigations in order to ensure that as much work was completed before the Engagement Lead's possible return in January 2023. The Council had already taken action to address issues raised in the 2018/19 audit and would continue to do so.

The CA added that 2022/23 fiscal year would be the last year of BDO's PSAA contract and the next contract would be undertaken by a new company. The CA noted that further resourcing issues may arise as the shortage of qualified personnel continued. The CA also warned that NHS audits, which took place in Spring, were showing signs of slippage in their schedules which could create further pressure on local authorities.

In response to questioning, BDO said that an individual had been identified to take on the role of Senior Auditor Management when the existing one leaves in January 2023. In relation to the Engagement Lead, in the event that they cannot return, then it would be taken over by another Audit Partner who was already identified. However, owing to capacity constraints, the ability to carry out preparatory work for this possibility could not be undertaken in December 2022.

The Committee agreed to the Chair's proposal that the meeting scheduled for 7th February 2023 should be held to enable the Committee to be kept informed of the 2019/20 Audit's progress and to discuss any further issues that may arise. The Committee also agreed to move the meeting scheduled for 6th March 2023 to later in that month.

The Committee noted the update.

18. Standards Complaint Update

The Committee noted the Standards Complaints Update.

19. Corporate Risk Register Update

The Head of Assurance (HOA) updated the Committee.

The Senior Leadership team had held a risk management workshop which undertook a fundamental review of the strategic corporate risks that may prevent the Council from achieving its objectives. There were 14 corporate risks prior to the workshop however one risk, the Enterprise Resource Planning (ERP) system, was removed as the system had now been implemented therefore the risk was unlikely to materialise. Each risk owner had reviewed their risks in terms of wording, accuracy and deliverability.

The Committee asked about ERP requesting further information on the decision to remove it. The HOA responded that the risk surrounding ERP related to potential costs resulting from delays. Now the ERP had been implemented this was no longer a risk. An internal audit review had been undertaken whilst the project was being implemented and the Internal Audit Manager was on the implementation team for the project. A post implementation review was also undertaken and a rating of 'substantial assurance' was given. This was reported to the Committee in July 2022 in the Annual Review of Internal Control.

The Committee asked about the risk relating to 'safeguarding failure' noting that the target risk was given a red rating and sought clarification as to why it had been given this rating. The HOA explained that the risk score was rated 'red' because, although the council worked hard to prevent such failures occurring, where such a failure did occur it would be extremely difficult to mitigate the consequences.

In response to further questioning, the HOA disclosed that climate change had been discussed in relation to the formulation of risks. The Council's risk management approach was focused on addressing potential issues that may prevent the Council from meeting its objectives and climate change was considered in relation into how it could increase the materialising of a risk.

The Committee noted the update.

20. Internal Audit Report 2022/23- Q1 and Q2

The HOA updated the Committee.

The Internal Audit was divided into two areas: school audits and the risk and compliance audits. The plan was risk based and as the Council's risks change and evolve the Internal Audit Plan would be amended to reflect this.

The Risk and Compliance Plan had-

- Five new audits added;
- One audit was removed; and
- In Q2, 13% of the plan had been completed which was below the 25% target.

The HoA told the Committee that they were confident that 100% of the plan would be completed by the prescribed deadline. The HoA acknowledged that this would require the support of audit firms but stated that commitments had been made to ensure that sufficient resources would be deployed.

Following questioning, the HoA explained that when the internal audit plan was constructed, contingency days were set aside to take account of potential additional requests or audits where the Council's risk profile changes.

In relation to confidence in the delivery of the plan, the HoA explained that the plan's deliverables were weighted towards the end of year. This was due to the requirement to enable an appropriate audit period. Therefore, certain targets could not be delivered at this time.

In relation to Schools Audits, these would be done in-house and the HoA was confident that they would be completed by the prescribed deadline. Seven draft reports had been issued since the start of the year and all had been awarded a 'reasonable assurance' or 'substantial assurance.'

In response to questioning, the HoA clarified that the decision on which schools to audit was based on a risk assessment. Among the factors that the HoA cited as examples of heightened risk were

- Schools that had a high turnover of staff, especially Head Teachers and Business Managers;
- Ofsted inspections determined risk ratings as there was a connection between good management and good teaching; and
- The time that had elapsed since the last audit, as well as the outcome of the previous audit also determined risk.

Progress on the implementation of previous internal audit recommendations continued and the HoA highlighted that one high risk finding remained outstanding as of 30th September 2022. This related to the Council Tax Report from the previous year when the deadline was agreed for the implementation of the reports' recommendations. A revised completion date of 31st January 2023 was agreed owing to additional information being required in relation to the distribution of the energy rebate provided by the government. The Group noted the update.

21. Review of Counter Fraud Policies

The HoA updated the Committee.

The Council took a strong stance against fraud and, as part of its strategy, all policies were reviewed annually to take into account any change in working systems within the Council as well as legislation. Most of the changes made related to whistleblowing and anti-bribery policies. Papers circulated to the Committee contained tracked changes to enable Committee members to see where adjustments had been made.

The Counter Fraud Policies were shared with Legal, HR and the Trade Unions as well as being published on the Council's intranet following approval by the Committee.

The Committee noted the report.

22. Counter Fraud 2022/23 Qtr 2 Report

The HoA updated the Committee.

Four cases of fraud had been dealt with and the intention was to publicise the outcome within the Council to encourage whistleblowing since the prosecution would show that referrals were taken seriously. In addition to this, it was hoped that it would have a deterrent effect. In terms of housing related fraud, the Council had recovered four properties that were being sub-let in breach of tenancy

agreements.

The Committee noted that only a small proportion of referrals had resulted in action being taken. The HoA explained that all referrals are logged but on closer examination many do not constitute fraud and in such cases they were referred to the relevant section of the Council. The HoA also noted that they could not report on ongoing investigations until they had been completed. Where a complex or major fraud was uncovered, in addition to the investigation by the Council, bringing the case to court also took time and the HoA disclosed that trials had been set for 2024 in relation to former staff accused of fraud.

In relation to the Regulatory and Investigative Powers Act (RIPA), the HoA explained that the Council would require the authority of the Magistrates Court to carry out surveillance and the Magistrate would permit where it was deemed proportionate.

Following questioning, the HoA said that proactive work was undertaken to prevent fraud but noted that it was impossible to measure its effectiveness vis a vis not undertaking such work. Fraud was included in staff training with the HoA adding that anti-fraud training had been incorporated into IT training as well as budget training.

The Committee noted the update.

23. Work Programme 2022/23

The Committee agreed to maintain the meeting scheduled for 7th February 2023 and to move the meeting scheduled for 6th March 2023 to the end of March. The Committee agreed that the final arrangements for the March 2023 meeting would be considered when the Committee next meets on the 7th February.

The Committee agreed to the Independent Advisor's recommendation that a report be brought to the February committee in relation to the audits of the Council's subsidiary companies.

AUDIT AND STANDARDS COMMITTEE**7 February 2023**

Title: Council's Accounts Audit Update - 2019/20 and Subsidiaries' accounts audit – 2021/22	
Report of the Chief Financial Officer	
Open Report	For Decision
Wards Affected: All	Key Decision: No
Report Author: Thomas Mulloy, Chief Accountant	Contact Details: E-mail: Thomas.Mulloy@lbbd.gov.uk
Accountable Director: Philip Gregory, Chief Financial Officer (Section 151 Officer)	
Accountable Strategic Leadership Director: Philip Gregory, Chief Financial Officer (Section 151 Officer)	
Summary	
This report is to note an update regarding the external audit of the Council's Statement of Accounts 2019/20. And to update on the latest regarding 2021/22 accounts audits of the Council's subsidiaries.	
Recommendation(s)	
The Audit and Standards Committee is recommended to note the contents of this report.	
Reason(s)	
It is a statutory obligation for the Council's Statement of Accounts to be produced and audited, and that the Statement of Accounts and the Annual Governance Statement must be approved by a Committee of the Council	

1. Introduction and Background

- 1.1 At the last meeting of the Committee, BDO notified the Committee that, owing to staff illness and changes in the Audit team, the 2019/20 audit would be further delayed. The revised plan was to complete the audit by March and to present it to the Committee in April 2023. BDO will be providing a verbal update to the Committee on the progress in meeting the deadlines that were set out.
- 1.2 Although the 2019/20 accounts audit of the Council and its Group Accounts is still on-going, the individual 2021/22 accounts audits of the Council's progressed well and an update will be given.

2. Financial Implications

Implications completed by: Thomas Mulloy, Chief Accountant

- 2.1 Other than the audit fees previously mentioned in the Audit Plan, there are no financial implications arising from the report.

3. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 3.1 The Chief Financial Officer has a statutory duty, under Section 151 of the Local Government Act 1972, to ensure that there are proper arrangements in place to administer the Council's financial affairs. An essential component of sound administration is a sound audit function.
- 3.2 The Local Audit and Accountability Act 2014, established a new audit regime. Local Authorities must appoint a local auditor which in carrying out its' role must be satisfied that the authority has:
- made proper arrangements for securing economy, efficiency and effectiveness in its use of resources;
 - in its accounts comply with the requirements of the enactments that apply to them;
 - observed proper practices in the preparation of the statement of accounts and that the statement presents a true and fair view.
- 3.3 This is supported by the Code of Audit Practice, published by the NAO, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

Public Background Papers Used in the Preparation of the Report: None

Audit and Standards Committee

7 February 2023

Title: The Localism Act 2011- Appointment of Independent Persons	
Report of the Monitoring Officer	
Open Report	For Decision
Wards Affected: None	Key Decision: No
Report Author: Dr Paul Feild Principal Governance and Standards Solicitor	Contact Details: Tel: 020 8227 3133 E-mail: paul.feild@lbbd.gov.uk
Accountable Head of Service: Alison Stuart, Chief Legal Officer and Interim Monitoring Officer	
Accountable Director: Fiona Taylor, Acting Chief Executive	
Summary: This report relates to the requirement that the Council must have at least one Independent Person to carry out an advisory role as part of arrangements the Council must have in place to investigate and determine complaints regarding the Councillors Code of Conduct as required by Sections 28(6) (a) & (b) and 28(7) the Localism Act 2011(the Act).	
Recommendation(s) The Audit and Standards Committee agrees to recommend to Assembly that it shall support the continuance of the current Independent Persons being Michael Carpenter; Dr.Gurpreet Singh Bhatia and Pastor Thomas Adeyemi Aderounmu from the next Assembly meeting following the Annual Assembly in 2023 and that a limited recruitment cycle be carried out for a reserve independent Person with the aim of increasing diversity and inclusion.	
Reason(s) Section 28(8) (c) (iii) of the Act states that decisions of appointment of Independent Persons must be agreed by a majority of the whole number of Councillors.	

1. Introduction and Background

- 1.1 From 1 July 2012, the Localism Act 2011 (the Act) required that principal councils such as district, county and London boroughs all adopt local codes of conduct and establish the means to investigate and determine complaints. At the Assembly meeting on 11 July 2012, Members adopted the LBBB Code of Conduct in

accordance with the Act, together with procedures for investigating and deciding on allegations of breaches of the Code.

- 1.2 The Act further required that the Council appoints at least one Independent Person (IP):
 - (a) whose views are to be sought, and taken into account, by the Council before it makes its decision on an allegation that it has decided to investigate; and
 - (b) whose views may be sought—
 - (i) by the Council in relation to an allegation in circumstances not within paragraph (a),
 - (ii) by a member, or co-opted member, of the Council if that person's behaviour is the subject of an allegation
- 1.3 To ensure 'independence', this person is not to have links to the Council, Councillors or officers or been a Member for the last five years. Initially two Independent Persons were appointed.
- 1.4 The Assembly in 2014 agreed that the Council make an additional appointment of an Independent Person to provide resilience in the event of potential issues of conflict of interest or general unavailability of one of the Council's IP's. The Assembly followed the recommendation of appointment and identified the need to have three IP's.
- 1.5 In accordance with the Act, to meet the risks identified, the then Monitoring Officer working with the Lead Member carried out a recruitment exercise with the original Independent person Mike Carpenter retained. Mr Carpenter had been a deputy Chief Officer with the Council with much valuable experience. The recruitment was conducted with local and web based advertisements. Two expressions of interest were received from Dr. Gurpreet Singh Bhatia and Pastor Thomas Adeyemi Aderounmu. The quality of the performance of the candidates under interview and their experience was high. Both candidates had experience in dealing with ethical issues and neither have any connection with any political parties or been elected members.

Independent Persons role in Statutory Chief Officers Disciplinary Process

- 1.6 In 2015, the Government changed the disciplinary procedure for statutory chief officers being the Head of Paid Service (Chief Executive), Chief Finance Officer and the Monitoring Officer. The change requires two Localism Act Independent Persons to take part in the process of statutory Chief Officer disciplinaries by amending the Statutory Standing Orders Regulations to make their involvement mandatory. The Councils Independent persons terms of engagement were so amended.
- 1.7 So, in the event that the Councils statutory Chief Officer Investigation and Disciplinary Panel considers that dismissal is the appropriate reasonable recommendation to make to the Assembly with regard to statutory Chief Officer conduct, it must first refer the matter for consideration to an Independent Persons Committee, as required by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 and section 102(4) of the Local Government Act 1972. This Independent Persons Committee shall consist of at least two

Independent Persons appointed under the Localism Act 2011 with priority to an Independent Person(s) appointed by the Council who is a local elector, followed by an Independent Person(s) appointed by the Council who is not a local elector and finally an Independent Person(s) appointed by another Authority. As can be seen it is helpful to the process to have an Independent Person with awareness of staffing matters.

2. Review

- 2.1 A desk top review has been carried out to look at the matters which required a formal Members Complaints hearings Sub-Committee requiring the involvement of the Independent Person. The first being in February 2016 and the second in October 2018. While it is difficult to be certain about future complaints the picture is that standards and code of conduct matters are held in high regard by Members and Officers and serious transgressions are rare.
- 2.2 On 27 July 2022 the Assembly agreed that Mike Carpenter, Dr.Gurpreet Singh Bhatia and Pastor Thomas Adeyemi Aderounmu are retained as the Council's independent persons for the purposes of section 28 of the Localism Act 2011 (Note: under Section 28(8)(c)(iii) of the Localism Act 2011, until the Assembly meeting after Annual Assembly 2023. The Monitoring Officer contacted the three Independent Persons and they have agreed to continue with the current arrangements.

2.4 Terms of engagement

- 2.4.1 The proposal is that appointments will run until after the Annual Assembly meeting in 2025.
- 2.4.2 The appointment attracts an annual allowance of £500. The IP's may also claim reasonable expenses for attendance, travel and subsistence. The IP's are not Co-opted Members and therefore the inclusion of such an allowance provision will not engage any need to have it approved / reviewed by the LBBB Members Remuneration Panel.

3. Options Appraisal

- 3.1 The appointment of at least one Independent Person is a statutory requirement of the Act. Experience has shown that this is unworkable. The reason is that as a Member facing a complaint is entitled to be able to consult with an Independent Person and that same IP cannot go on to be consulted by the Council in the same matter as there will be a conflict of interest. Further as an Independent Person is required to sit on the Hearings Sub-Committee, that person cannot be either the Independent Person consulted by either the Member or the Monitoring Officer and will again be conflicted.
- 3.2 When Barking and Dagenham Council's scheme was established in late 2012 a minimum number of two was proposed principally because of the risk of conflict of interest this was raised to three since 2014 to provide the necessary level of resilience at minimal cost to the potential risk. Since that decision the 2015 change in the mandatory standing orders means that two Independent Persons have to be utilised in the disciplinary process for statutory officers. While it may be possible to

'borrow' another authority's Independent person(s) it is hardly ideal as they will have to be trained and would need to be available, and in any event the Secretary of State has set a required preference that in a statutory officer disciplinary process priority be accorded to an Independent person who is a resident.

3.3 In terms of options as to the future there is:

Option A Carry out fresh recruitment cycle of all Independent persons

Option B Retain the existing Independent Persons

Option C Retain the existing Independent Persons and carry out a limited cyclical recruitment cycle for a reserve Independent Person

Option A

It is difficult to justify the cost of an automatic fresh recruitment round for Independent Persons and the induction and training requirements needs when the current Independent Persons are presently skilled. This is not recommended.

Option B

Retain the existing Independent Persons and recommend their reappointment to the Assembly. This would be the cheapest option however this would not reflect diversity and inclusion aspirations.

Option C

While carrying out a limited cyclical recruitment cycle presents similar challenges as Option A in terms of the expense of advertising and resources there could be a benefit from a diversity and inclusion aspirations in that all three Independent persons are male and it maybe that that an exercise in recruitment of a reserve could present greater diversity of choice, that a fourth Independent person be retained. The actual cost in terms of remediation is £500 per year which has not changed since the Council has retained Independent Persons since 2012. If this option were selected the Monitoring Officer would invite the Committee to nominate Members to take part in the interview stage. This is the recommended option.

4. Consultation

- 4.1 It is a statutory requirement that Assembly is consulted and approves the appointments.

5. Financial Implications

Implications completed by: Katherine Heffernan, Finance Manager

- 5.1 The allowance and expenses required to fund these posts will be funded from existing budgets within Democratic Services.

6. Legal Implications

Implications completed by: Alison Stuart, Chief Legal Officer and Interim Monitoring Officer

- 6.1 The body of this report sets out the legal framework. As explained, by virtue of the Act, the Council is required to have a minimum of one IP, although, this is widely

considered to be unsatisfactory as there are circumstances where statutory obligations, such as the right for a Member to consult with an IP, the need for consultation by the Monitoring Officer and the Standards Sub-Committee, coupled with the Statutory Officer disciplinary requirement dictates that two IPs are the bare minimum. An arrangement of a minimum of one IP does not provide sufficient resilience, e.g., if the IP is not available or a member wishes to consult with an IP. Members are recommended to agree the continuation appointments of the three IP members as set out in this report.

7. Other Implications

- 7.1 **Risk Management** - The Council has a duty to promote and maintain high standards of conduct. Failure to appoint IP's puts the Council at risk of not being able to fulfil these duties in accordance with the Act
- 7.2 **Customer Impact** - Residents of the borough must be confident that the Council will continue to promote and maintain high standards of conduct through the implementation of the statutory requirements of the Act

Background Papers Used in the Preparation of the Report: None

List of Appendices: None

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AUDIT AND STANDARDS COMMITTEE

7 February 2023

Title: Complaints Update	
Report of the Monitoring Officer	
Open Report	For Information
Wards Affected: None	Key Decision: No
Report Author: Dr. Paul Feild Principal Standards & Governance Lawyer	Contact Details: Tel: 0208 227 2638 E-mail: paul.feild@lbbd.gov.uk
Accountable Director: Alison Stuart, Chief Legal Officer and Interim Monitoring Officer	
Accountable Strategic Leadership Director: Fiona Taylor, Interim Chief Executive	
Summary: This report is to provide the Committee with an update of complaints against Members of the Council, their status, outcome and actions taken. On 1 July 2012 the Assembly adopted, as required by the Localism Act 2011, a new local Code of Conduct and Complaint Procedure. In accordance with the Code, the Monitoring Officer conducts an initial assessment of complaints about Members of the Council against approved criteria and may consult with the Independent Person and try to resolve matters informally if possible or appropriate. If the complaint requires further investigation or referral to the Audit and Standards Committee there may still be a hearing of a complaint before its Sub-Committee.	
Recommendation(s) The Audit and Standards Committee is recommended to note the report.	
Reason(s) For continued good governance and to ensure that the Standards Committee is aware of complaints against Members of the Council.	

1. Options Appraisal

1.1 This report is for information only.

2. Consultation

2.1 This report is for information only.

3. Financial Implications

3.1 There are no financial implications associated with this report.

4. Legal Implications

Implications completed by: Dr. Paul Feild
Principal Standards & Governance Lawyer

- 4.1 It is a legal requirement that the Council promotes and maintains high standards of conduct by Members and Co-opted Members of the authority. The Audit and Standards Committee contributes to this duty by receiving reports from the Monitoring Officer and assessing the operation and effectiveness of the Code of Conduct for Members. Additionally, the Committee advises on training of Members on matters relating to the Code as well as receiving referrals from the Monitoring Officer into allegations of misconduct in accordance with the authority's assessment criteria.
- 4.2 This report furthers those objectives by providing timely updates to the Audit and Standards Committee with regard to the operation of the Code of Conduct.

Background Papers Used in the Preparation of the Report:

- The Council Constitution

List of appendices: Appendix A – Schedule of Complaints received.

Member Complaints – Monitoring Officer Rolling Record - January 2023

Ref:	Receipt of Complaint	Member(s)	Complainant	Nature of Complaint	Investigation	Standards Hearing	Outcome	Status (Open/closed)
MC 6/22	Oct 2022	Two Members	Officer Be First	Indicative matter of breach of the Code of Conduct	Fact finding process commenced	To be determined in due course	Not applicable	Open

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Audit and Standards Committee - Work Programme 2022/23

Chair: Councillor Princess Bright

Meeting	Agenda Items	Lead Officer	Reports deadline
4 April 2023	Audit Completion Report 2019/20 Annual Governance Statement Committee Terms of Reference Review Standards Complaints update Work Programme 2023/24	BDO Christopher Martin Governance Officer Paul Feild Governance Officer	5pm, 23 March

Items rescheduled to next municipal year 2023/24
External Audit Plan 2020/2021

Meeting dates in the 2022-23 Municipal Year;

- 20 July 2022
- 11 October 2022
- 6 December 2022
- 6 March 2023 (moved to 4 April 2023)

Additional meeting scheduled for 7 February 2023.

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