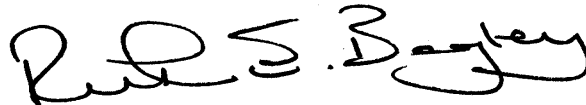


Date of issue: Tuesday, 2 June 2015

<b>MEETING:</b>	<b>AUDIT AND CORPORATE GOVERNANCE COMMITTEE</b> (Councillors Chohan (Chair), Matloob (Vice-Chair), Ajaib, Amarpreet Dhaliwal, Mansoor, Nazir and Sandhu)  <b>CO-OPTED INDEPENDENT MEMBERS:</b> Graham Davies, Ajay Kwatra, Ronald Roberts and Alan Sunderland  <b>PARISH COUNCIL MEMBERS:</b> Councillor S Bryant (Colnbrook with Poyle) Britwell (tbc) Wexham Court (tbc)  <b>INDEPENDENT PERSON</b> Dr Louis Lee
<b>DATE AND TIME:</b>	WEDNESDAY, 10TH JUNE, 2015 AT 6.30 PM
<b>VENUE:</b>	MERCURY SUITE 3, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH, BERKSHIRE, SL1 3UF
<b>DEMOCRATIC SERVICES OFFICER:</b> (for all enquiries)	SHABANA KAUSER  01753 787503

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



**RUTH BAGLEY**  
Chief Executive

# AGENDA

## PART I

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
	Apologies for absence.		
1.	Declarations of Interest  <i>All Members who believe they have a Disclosable Pecuniary or other Pecuniary or non pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 3 paragraphs 3.25 – 3.27 of the Councillors' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 3.28 of the Code.</i>  <i>The Chair will ask Members to confirm that they do not have a declarable interest.</i>  <i>All Members making a declaration will be required to complete a Declaration of Interests at Meetings form detailing the nature of their interest.</i>		
2.	Minutes of the Last Meetings of the Audit & Risk Committee held on 12th March 2015 and the Standards Advisory Committee held on 17th March 2015	1 - 16	
3.	Appointment of Standards Determination Sub-Committee	17 - 22	
4.	Date of Next Meeting - 8th July 2015		

### Press and Public

You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before the Committee considers any items in the Part II agenda. Please contact the Democratic Services Officer shown above for further details.

The Council allows the filming, recording and photographing at its meetings that are open to the public. Anyone proposing to film, record or take photographs of a meeting is requested to advise the Democratic Services Officer before the start of the meeting. Filming or recording must be overt and persons filming should not move around the meeting room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non hand held devices, including tripods, will not be allowed unless this has been discussed with the Democratic Services Officer.

**Audit and Risk Committee – Meeting held on Thursday, 12th March, 2015.**

**Present:-** Councillors Chohan (Chair), Sandhu and Zarait (Vice-Chair)

**Apologies for Absence:-** Councillors Dhaliwal, Mansoor and Mr Kwatra

**PART 1**

**23. Declarations of Interest**

No declarations were made.

**24. Minutes of the last Meeting held on 11 December 2014**

**Resolved –** That the minutes of the meeting held on 11<sup>th</sup> December 2014 be approved as a correct record.

**25. Proposal to Merge Audit and Risk and Standards Advisory Committee**

The Committee considered a report which proposed the merger of the Audit & Risk and the Standards Advisory Committees into an Audit & Corporate Governance Committee.

The role of the newly merged committee would be to make a positive contribution to the organisations governance and control environment and it would have a wide-ranging remit including reviewing the Council's arrangements for internal audit, risk management and standards. The reasons behind the proposal were highlighted including the synergies between the two committees on governance and transparency issues; the reduced levels of complaint activity on Code of Conduct matters; and the benefits of involving an increased number of co-opted members on audit matters. In response to a question from a Member, it was confirmed that the report would also be considered by the Standards Advisory Committee at their next meeting.

The Committee discussed a number of issues including the impact of adding standards and code of conduct matters onto the workload of the Committee. Members were informed that determination of standards investigations and detailed matters related to the code of conduct would be carried out by a Standards Determination Sub-Committee, making recommendations to the main Committee where appropriate. The role of Parish Council representatives was also considered. It was noted that Parish Council members would continue to be engaged and a member would be invited to attend and speak at the Committee on any matters relating to changes of the Code of Conduct and as an observer at a Standards Determination Sub-Committee if it related to a Parish Council Member.

## Audit and Risk Committee - 12.03.15

After due consideration, the proposal to merge the committees was endorsed, subject to the following amendments to 'Article 10 – Audit and Corporate Governance Committee':

- Paragraph 14 Internal Audit:
  - First bullet point to be amended to:  
*“To consider the Chief Internal Auditor’s annual audit opinion and the level assurance given over the Councils corporate governance, risk management and control arrangements.”*
  - Final bullet point to replace the word “Panel” with “Committee”.
- Paragraph 17 Governance
  - Sub-paragraph (g) has empty brackets which need to be completed.

The Committee requested that the revised Article 10 be circulated to Members of the Committee following amendment.

**Recommended –** That the proposal to merge the Audit & Risk Committee and Standards Advisory Committee into an Audit and Corporate Governance Committee be recommended to Council, subject to the textual amendments suggested by the committee being incorporated into the revised Article 10 of the Council’s Constitution.

## 26. Audit and Risk Management Update: Quarter 3 2014/15

The Assistant Director, Finance & Audit introduced the Management Update for the third quarter of the year which detailed progress against the Internal Audit Plan, counter fraud activity and the Council’s risk register.

### Internal Audit Progress Report

Good progress continued to be made in finalising internal audit reports more quickly and a majority of the non-schools audit outcomes during the quarter were rated either ‘green’ or ‘amber-green’. In relation to the Head of Internal Audit opinion, there were no negative opinions for key financial or business critical systems. The number of high level internal audit recommendations implemented had increased to 71%, which was up from an average of 52% to 62% during 2013-14. A Member asked about the fact that three high level and two medium level recommendations had not been responded to relating to the ‘Data Quality: Performance Indicators with within Contracts’. It was noted the fieldwork was underway for an audit of Contract Management and Procurement and an update would come to the Committee in July.

## **Audit and Risk Committee - 12.03.15**

The Chair requested that an explanatory note be added to the graph on page 29 of the agenda (page 4 of the Internal Audit Progress report) to make it clear that the pie chart excluded Advisory reports.

The Committee discussed the ongoing position in relation to school's internal audit reports. Three draft reports, including one 'red' rated report, had yet to be finalised. A letter had been sent to the schools in question and the Chair of Governors could be invited to the next meeting of the Committee if the draft was not responded to in line with the agreed protocol. The Committee reiterated their concern about continued trend of slower finalisation of reports and agreed that the protocol should be followed.

### Fraud update

The Committee were updated on fraud activity as summarised in paragraph 5.5.1 of the report which detailed the sums recovered during the quarter. In addition to a number of successful prosecutions for benefit fraud, thirteen housing properties had been brought back into use through counter-fraud work.

### Corporate Risk Register

No significant changes were reported since the previous quarter.

At the conclusion of the discussion, the report was noted.

### **Resolved –**

- (a) That the Quarter 2 Management Update be noted.
- (b) That the protocol for internal audit procedures for schools be followed for the three draft reports detailed in paragraph 5.3.1 of the report, with the Chair of Governors invited to attend the next meeting of the Committee if the reports were not finalised.

## **27. Internal Audit Strategy 2015/16**

The Head of Internal Audit introduced a report which sought approval of the Internal Audit Strategy 2015-16.

The Strategy set out the internal audits scheduled to be completed during the year ahead. It was a risk-based strategy developed following discussions with management and was based upon audits which supported the delivery of the Five Year Plan; audits focused on the risks included in the Corporate Risk Register; and audits required by the external auditor to enable them to place reliance upon the internal controls operated by the Council. The plan was the final year of a three year strategy.

The Committee discussed the mechanism the Council used to evaluate the impact of activities such as highway schemes and requested that a report be

## **Audit and Risk Committee - 12.03.15**

brought to the next meeting providing further information on the approach to Benefits Realisation and how this could be better utilised to quantify the benefits of projects and identify key learning points.

At the conclusion of the questions and discussion, the Committee approved the annual plan for 2015/16.

**Resolved** – That the Internal Audit Strategy 2013/14 to 2015/16, including the annual plan for 2015/16, be approved.

### **28. External Audit Plan 2014/15 and 2015/16**

The External Auditor, Mr Grant of BDO, introduced a report on the External Audit Plan for 2014-15 and 2015-16.

The plan summarised the work that BDO would undertake in respect of the audit of Slough Borough Council including the financial statements and Value for Money (VFM) conclusion. Members' attention was drawn to the significant risks that impacted on the audit as detailed in the plan and it was noted that significant work had been undertaken with the Council's finance team to address these risks and further improve the accuracy of the financial statements. A number of specific risks would be examined as part of the audit including contract management, the introduction of the Better Care Fund and Children's Social Care Services, weaknesses in which had resulted in a qualified VFM opinion in 2013/14. The proposed core audit fee for the year was £170,030, which was with the scale fee published by the Audit Commission, plus a further £27,500 for grant returns.

The Committee asked a number of questions about the key challenges for the audit. Mr Grant responded that the production of the financial statements by the 30 September deadline would be a significant challenge and the auditors and Council officers had taken a number of steps to improve the effectiveness of this process this year. The Assistant Director responded that that last year's accounts were completed on time for the first time in four years and further work had been done to prepare for the audit and supply working papers which met the auditors needs. The Members also discussed the impact of the new Accounting Standards, impairments and future arrangements for the appointment of external auditors from 2017/18.

After due consideration, the External Audit Plan 2014-15 and the External Audit Planning Letter were approved.

**Resolved** –

- (a) That the External Audit Plan for the year ending 31 March 2015 be approved.
- (b) That the External Audit Planning Letter and Proposed Fee for the year ending 31 March 2016 be approved.

**29. Members Attendance Record**

**Resolved** – That the Members Attendance Record be noted.

**30. Date of Next Meeting**

The date of the next meeting was confirmed as 8<sup>th</sup> July 2015.

The Chair thanked Members, Council Officers and auditors for their contribution to the work of the committee during the municipal year.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 7.15 pm)

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## **Standards Advisory Committee – Meeting held on Tuesday, 17th March, 2015.**

**Present:-** Councillors M Holledge (Chair), Matloob (Vice-Chair), Dhaliwal, Dhillon, Sandhu and Usmani.

**Co-Opted Independent Members:-**  
Graham Davies and Alan Sunderland.

**Parish Council Member:-**  
Parish Councillor Gahir

**Apologies for Absence:-** Councillor Bryant (Colnbrook Parish Council)  
Dr Louis Lee (Independent Person)  
Ronald Roberts (Co-Opted Independent Member)

### **PART 1**

#### **10. Declarations of Interest**

None were declared.

#### **11. Minutes of the last meeting held on 18th June 2014**

**Resolved** – That the minutes of the meeting of the Committee held on 18<sup>th</sup> June 2014 be approved as a correct record.

#### **12. Membership**

The Committee were advised that Dr Louis Lee and Mr Graham Davies had been appointed in September 2014 as the Council's Independent Person and Independent Co-Opted Member respectively. Whilst not a formal member of the Standards Advisory Committee, Dr Lee would attend meetings in an observer capacity.

#### **13. Proposal to Merge Audit and Risk and Standards Advisory Committee**

The Monitoring Officer outlined the report and the reasons for proposing a merger of the Audit and Risk and Standards Advisory Committee. Following changes implemented under the Localism Act 2011, the role of the Committee had reduced significantly, particularly as the Monitoring Officer now had delegated authority to seek to resolve a complaint informally or in consultation with the Council's Independent Person. This change had therefore removed the need for an Assessment Sub-Committee to meet. It was noted that the Committee met twice in 2013/14 with two meetings cancelled due to insufficient business.

Members were advised that there were similarities and synergies between the committees as they both dealt with governance, probity and transparency of processes. Combining the roles of the two committees would both enable the Council to benefit from skills and input of independent people across a

broader area of responsibility and provide a more stimulating role for independent people, which, in tune, would assist with retention.

The newly merged Audit and Corporate Governance Committee would have the objective of making a positive contribution to the Council's governance and control environment. Whilst recognising the benefits of merging the two committees there was no wish to put additional pressure on the Committee's work on risk management framework and its scrutiny of the authority's financial and non financial performance. It was therefore proposed that a Standards and Determination Sub Committee also be established to determine allegations of breaches of the Members' Code of Conduct, on a reference from the Monitoring Officer and to undertake any detailed work necessary on the Code of Conduct, making recommendations to the Committee as necessary. The proposed membership/ terms of reference and operating guidance for the Sub Committee were outlined for Members consideration.

A number of issues were raised in the ensuing discussion, including the proposed number of elected members appointed to the newly formed committee and membership of the Determination Sub-Committee. A Member proposed that elected members on the merged committee be increased from six to seven members to allow a greater degree of flexibility with regards to quorum.

A Member queried the allocation procedure for membership of the Determination Sub-Committee. Officers explained that the Sub-Committee would be convened as and when necessary from the membership of the Audit and Corporate Governance Committee and therefore would not have a fixed membership. Members were appointed to the Sub-Committee on a random basis to ensure there was no political bias in consideration of issues. A number of Members stated that membership of the Sub-Committee should be drawn on a politically proportionate basis. It was explained that although this was feasible there would be occasions where the Sub-Committee would comprise of members from the same political party given that there would be one opposition member appointed to the main committee. It was agreed that the three elected members would be drawn on a politically proportionate basis, wherever possible. If an opposition Member was not available, the three Members would be appointed from the same political party.

Clarification was sought relating to the role of Parish Councillors on the proposed new committee. The Monitoring Officer informed the Committee that one member from each of the three Parish Councils in the Borough would be invited to attend and speak at the Committee, if it was considering matters relating to the Code of Conduct. Furthermore, the composition of the Sub-Committee would increase to include a parish member when considering an issue or report relating to a Parish Council Member.

It was noted that the frequency of meetings would remain at four scheduled meetings per municipal year and that the necessary training would be provided to both elected Members and Independent Co-Opted Members to enable them to fulfil their roles with regards to scrutiny of audit reports.

### **Recommendations to Council**

- (a) That the Standards Advisory Committee be disbanded and its terms of reference subsumed into the terms of reference of the Audit and Risk Committee with effect from the Annual Council meeting in May 2015.
- (b) That the Audit and Risk Committee be renamed the "Audit and Corporate Governance Committee".
- (c) That Article 9 of the Constitution (Standards Advisory Committee be deleted and subsequent Articles re-numbered).
- (d) That existing Article 10 (Audit and Risk Committee) be amended as shown in Appendix 1 and the terms of reference and working arrangements of the Committee therein be approved.
- (e) That the membership of the Audit and Corporate Governance Committee comprise\*:

Seven councillors (politically balanced) (not the Leader, Mayor or Deputy Mayor, Chairs and Vice Chairs of Planning and Licensing Committee and Group Leaders\*)

Up to four co-opted (non-voting) independent members

The Council's Independent Person (as an observer).

\* executive members limited to one

\*one Member from each of the three Parish Councils in the Borough to be invited to attend and speak at the Committee if it is considering a report relating to changes to the Code of Conduct

- (f) That the existing independent members on the Audit and Risk and Standards Advisory Committees be appointed to the ACGC for the 2015/16 municipal year as follows

Mr G Davies

Mr R Roberts

Mr A Sunderland

Mr A Kwatra

- (g) That a Standards and Determination Sub Committee be appointed by the Committee with membership, terms of reference and operating procedures as set out in Appendix A.
- (h) That the Head of Democratic Services make any consequential administrative amendments to the Constitution.

## ARTICLE 10 – AUDIT AND CORPORATE GOVERNANCE COMMITTEE

The Council will appoint an Audit and Corporate Governance Committee

### 1. Statement of Purpose

The purpose of this Committee is to

- promote and maintain high standards of conduct by Members
- provide independent assurance of the adequacy of the risk management framework and the associated control environment
- independently scrutinise the authority's financial and non-financial performance, to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process
- approve the financial statements
- approve the Annual Governance Statement.

### Terms of Reference

#### 2. Within the Terms of Reference of the Committee it will be

- the member forum for external audit matters, approving the financial statements on behalf of the full Council
- the member forum for ethical framework matters
- the member forum for internal audit matters
- a key element of the internal control framework for the Council and take responsibility for the approval of the Annual Governance Statement on behalf of the full Council
- be the member forum for risk management matters
- be the member forum for corporate governance matters.

### Membership

#### 3 The Committee is subject to the provisions of the Local Government Access to Information Act 1985.

#### 4 The Committee will comprise\*:

Seven councillors (politically balanced) (not the Leader, Mayor and Deputy Mayor, Chairs and Vice Chairs of Planning and Licensing Committee and Group Leaders\*)  
Up to four co-opted (non-voting) independent members from outside the Council with suitable experience

The Council's Independent Person (as an observer).

\* executive members limited to one

\* one Member from each of the three Parish Councils in the Borough to be invited to attend and speak at the Committee if it is considering a report relating to material changes to the Code of Conduct

In order to promote the independence of the Committee there should be limited cross membership between Overview and Scrutiny Committee and the Audit and Corporate Governance Committee limited to a maximum of 2 members. Also Cabinet membership of the Committee is limited to one member.

The Chair of the Committee will be an elected Member of the Council

## Working Arrangements

- 5 That Committee will meet four or more times per year.
- 6 The quorum of the Committee shall be a minimum of three voting members of the committee.
- 7 The Committee will be subject to the statutory access to information provisions. The press and public may be excluded and papers withheld from access only if they meet statutory definitions of exempt or confidential information.
- 8 All Members of the Council and members of the press and public can attend the Committee when it is discussing business in Part I of the agenda. When the Committee is discussing exempt or confidential information (Part II) only Members of the Committee and Members of the Council (with the consent of the Committee given by majority resolution) can attend.
- 9 The Committee will appoint a Standards and Determination Sub Committee to
  - determine complaints following an investigation; and
  - give detailed consideration to revisions to the Code of Conduct as necessary for recommendation to the Committee.
- 10 The Committee and its Sub-Committee may require Members of the Council and Officers of the Authority to attend before it to answer questions.
- 11 The Committee and its Sub-Committee may require the production of any document or record in the possession of the Council to be submitted to it, unless to do so would involve a breach of data protection or other statutory provisions.
- 12 The Committee may require the Monitoring Officer or his/her nominee to investigate on its behalf allegations of impropriety referred to the Committee.

## Specific Functions

The Committee's specific functions shall include but not be limited to

- 13 External Audit
  - To consider the external audit report to those charged with governance on issues arising from the audit of the accounts, and ensure that appropriate action is taken in relation to the issues raised
  - To consider the external auditor's annual letter and ensure that appropriate action is taken in relation to the issues raised
  - To consider and comment on any plans of the external auditors
  - To comment on the scope and depth of the external audit work and to ensure it gives value for money
  - To consider any other reports by the external auditors
  - To liaise with the appointed body over the appointment of the Council's external auditor

#### 14 Internal Audit

- To consider the Chief Internal Auditor's annual audit opinion and the level of assurance given over the Councils corporate governance, risk management and control arrangements
- To consider regular reports, including statistics, abstracts and performance of the work of internal audit as presented by the Chief Internal Auditor
- To consider and approve the annual Internal Audit plan ensuring that there is sufficient and appropriate coverage
- To consider reports from Internal Audit on agreed recommendations not implemented in accordance within the agreed timescale
- To contribute to the annual audit plan
- To comment on the scope and depth of the internal audit work and to ensure it gives value for money
- To consider any other reports the Chief Internal Auditor may make to the Committee.

#### 15 Internal Control

- To approve the adoption of the Annual Governance Statement to the Council
- To ensure that an appropriate action is taken with respect the issues raised in the Annual Governance Statement.

#### 16 Risk Management

- To approve the risk management strategy and review the effectiveness of risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements and seek assurances that action is being taken on risk related issues
- To ensure that assurance statements, including the Annual Governance Statement properly reflect the risk environment
- To review the Council's risk register

#### 17 Governance

- To consider the arrangements for corporate governance and to make appropriate recommendations to ensure corporate governance meets appropriate standards
- To consider the Council's compliance with its own and other published standards and controls
- To review any issues of governance referred to the Committee by internal or external audit
- To take ownership of the Protocol on referring Matters to the External Auditor
- To review the Anti-Fraud and Corruption policy

##### Standards and Ethical Framework

- (a) To promote and maintain high standards of conduct by Members, (i.e. Elected and Co-opted).
- (b) To assist Members to observe the Council's Ethical Framework including the Code of Conduct.

- (c) To advise the Council on the adoption or revision of the Council's Ethical Framework including the Code of Conduct.
- (d) To monitor the operation of the Council's Ethical Framework including the Code of Conduct.
- (e) To advise, train or arrange to train Members on matters relating to the Council's Ethical Framework including the Code of Conduct.
- (f) To determine written complaints made against a Member (including a Parish Council Member) alleging a breach of the Code of Conduct and taking any action that is deemed appropriate and permitted under the Localism Act 2011 and Regulations thereunder.
- (g) To exercise of (a) to (f) above in relation to the Parish Councils wholly or mainly in its area and the Members of those Parish Councils.
- (h) To keep under review and make recommendations to the Council on the Whistle-Blowing Policy and Procedure.
- (i) To put in place and keep under review arrangements for monitoring Members' performance.
- (j) To receive and consider reports on individual Members' performance.
- (k) To decide any requests from a Member or Officer for indemnity as set out in the Council's adopted Policy on Terms of Indemnity.

18 Other

- (a) To liaise with the Overview and Scrutiny Committee to ensure that the work of the two committees is complementary.
- (b) To promote effective relationships between external audit, internal audit, inspection agencies and other relevant bodies to ensure that the value of the audit and inspection processes are enhanced and actively promoted.
- (c) To consider financial and non-financial performance issues to the extent that this impacts upon financial management and governance.
- (d) The Committee shall, in conjunction with the Monitoring Officer and Chief Finance Officer, produce an Annual Review of work completed and proposed and report on an exception basis through the Performance Report for Cabinet.

19 The terms of reference of the Committee shall be reviewed annually.

## Determination Sub-Committee

### 1. Terms of Reference

The Sub-Committee is established to

- determine complaints following an investigation.
- give detailed consideration to revisions to the Code of Conduct as necessary for recommendation to the Committee.

### 2. Following a hearing the Sub-Committee will make one of the following findings:

- (a) That the Member who was the subject of the hearing had not failed to comply with the Code of Conduct of the relevant Authority concerned;
- (b) That the Member who was the subject of the hearing had failed to comply with the Code of Conduct of the relevant Authority concerned, but that no action needs to be taken in respect of the matters which were considered at the hearing; or
- (c) That the Member who was the subject of the hearing had failed to comply with the Code of Conduct of the relevant Authority concerned and that a sanction should be imposed.

### 3. If the Sub-Committee makes a finding under paragraph 2(c) in respect of a person who is no longer a Member of any authority that the Committee has responsibility for it shall censure that person.

### 4. If the Sub-Committee makes a finding under paragraph 2(c) in respect of a person who is a serving Member of any authority that the Committee has responsibility for, it shall impose any of, or a combination of, the following sanctions:

- (a) censure of that Member
- (b) restriction for a period not exceeding six months of that Member's access to the premises of the relevant Authority or the resources of the relevant Authority provided that those restrictions:
  - i. are reasonable and proportionate to the nature of the breach;
  - ii. do not unduly restrict the person's ability to perform the functions of a Member.
- (c) that the Member submits a written apology in a form specified by the Sub-Committee;
- (d) that the Member undertakes such training as the Sub-Committee specifies;
- (e) that the Member participate in such conciliation as the Sub-Committee specifies.

### 5. Appointment and Composition of the Sub-Committee

- (a) The Sub Committee will be convened as necessary from the membership of the Audit and Corporate Governance Committee. The Sub-Committee will therefore not have a fixed membership.
- (b) The Sub-Committee shall comprise five Members, of whom a maximum of three shall be elected members **drawn on a politically proportionate basis, wherever possible. If an opposition Member is not available, the three Members will be appointed from the same political party.** No more than two should be Co-Opted Independent Members of the Audit and Corporate Governance Committee.



- (c) The Sub-Committee shall elect a Chair at each hearing/meeting. The Chair will be an elected Councillor.
- (d) The appointment and composition of the Sub-Committee shall increase to include a Parish Member (observer) of the Audit and Corporate Governance Committee where the Sub-Committee is considering a report or recommendations that relate to a Parish Council Member.

## **6 Quorum**

The quorum for a meeting of the Sub-Committee shall be three Members, two of whom must be elected Members and at least one Independent Member. When considering a matter relating to the conduct of a Member as Parish Councillor at least one Parish Council representative shall also be present.

## **7 Frequency of Meetings**

The Sub-Committee shall meet as and when required to enable it to undertake its functions.

**14. Schedule of Activity - Code of Conduct**

The Committee were provided with an update on the activity undertaken by the Council's Monitoring Officer in relation to complaints received under the Code of Conduct. During the period June 2014 to date, one complaint had been received and related to a Borough Councillor. Members were informed that the complaint had been referred for investigation and that the Monitoring Officer had appointed an external investigator to deal with the matter. Dependent on the findings of the report, a meeting of the Standards Determination Sub-Committee would be called to determine the matter, if required.

A Member questioned when the investigation was likely to be completed and whether it was likely to be finalised prior to the forthcoming local elections. The Monitoring Officer informed the Committee that it was anticipated that the investigation would take between six to eight weeks and the election timetable was not factor as to when the investigation would be completed or determination Sub-Committee held, if required.

**Resolved** – That the report be noted.

**15. Members Attendance Record**

**Resolved** – That details of the Attendance Record be noted.

**16. Vote of Thanks**

Members placed on record their appreciation to both the Co-Opted Independent Members and Officers for their contribution and advice to the Committee during the municipal year.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 7.27 pm)

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit & Corporate Governance Committee **DATE:** 10<sup>th</sup> June 2015

**CONTACT OFFICER:** Kevin Gordon, Assistant Director, Professional Services and Monitoring Officer  
Shabana Kauser, Senior Democratic Services Officer  
**(For all Enquiries)** (01753) 787503

**WARDS:** All

**PART I**  
**FOR DECISION****APPOINTMENT OF STANDARDS DETERMINATION SUB-COMMITTEE****1. Purpose of Report**

- 1.1 To appoint and seek agreement to the membership of the Standards Determination Sub Committee

**2. Recommendations/Proposed Action**

- 2.1 The Committee is requested to resolve that a Standards Determination Sub-Committee be appointed comprising five Members of the Committee to be selected at random subject to it including three elected Members, if possible on a politically proportionate basis, and two Co-opted Independent Members.

**3. Slough Joint Wellbeing Strategy Priorities**

- 3.1 It is important that the investigation and determination of complaints about Member misconduct is carried out within a framework which gives the public confidence that such matters will be dealt with in a manner which will provide an efficient, effective and impartial process in the handling of ethical issues.

**4. Other Implications**

- 4.1 This report does not have any legal, financial or staffing implications.
- 4.2 The Localism Act 2011 places the Council under a statutory duty to establish an ethical framework:
- Under section 27(2) it must adopt a code of conduct dealing with the conduct that is expected of members and co-opted members when they are acting in that capacity,
  - Under Section 28 (6) it must have in place arrangements under which allegations of breach of the code can be investigated and decisions made upon the allegations,

## **5. Supporting Information**

### **Background**

- 5.1 The Council agreed at its meeting on 21<sup>st</sup> April 2015 that the Standards Advisory Committee be disbanded and its terms of reference subsumed into the terms of reference of the Audit & Risk Committee with effect from 19<sup>th</sup> May 2015. The re-named Audit & Corporate Governance Committee has a wide remit which includes Standards and the Ethical Framework.

### **Standards Determination Sub Committee**

- 5.2 It was also agreed that a Standards Determination Sub-Committee be established to determine allegations of breaches of the Member's Code of Conduct, on a reference from the Monitoring Officer, and to undertake any detailed work necessary on the Code of Conduct. As the parent Committee, it is the Audit & Corporate Governance Committee that appoints the Sub-Committee. The full Terms of Reference for the Sub-Committee, as approved by Council, is included at Appendix A.
- 5.3 The Standards Determination Sub-Committee does not have a fixed membership and will be convened as necessary from the membership of the Audit & Corporate Governance Committee. The Sub-Committee will comprise five Members, of whom a maximum of three shall be elected Members drawn on a politically proportionate basis, wherever possible. If an opposition Member is not available, the three elected Members will be appointed from the same political party. No more than two members of the Sub Committee should be Co-opted Independent Members. The Sub-Committee will elect a Chair at its hearing/meeting. The Chair will be an elected member.

### **Complaints Process**

- 5.4 In its approved complaints process, the Council has agreed arrangements to delegate to the Monitoring Officer the initial decision on whether a complaint requires investigation, subject to consultation with the Independent Person. In appropriate cases the Monitoring Officer may seek to resolve the complaint informally without the need for a formal investigation. When a complaint is referred for investigation, the Investigating Officer's report is reviewed by the Monitoring Officer, who will either send it for determination to a Standards Determination Sub-Committee set up for the purpose, or decide that no further action is required.

### **First meeting of the Determination Sub Committee**

- 5.5 Since the appointment of the Committee on 19<sup>th</sup> May 2015, a complaint has been referred by the Monitoring Officer for determination. The first meeting of the Audit & Corporate Governance Committee is scheduled for 8<sup>th</sup> July 2015, it is therefore necessary that the Committee meet to appoint the Determination Sub-Committee to determine the complaint at the earliest opportunity. It is proposed that the Sub-Committee for this hearing be selected randomly from the membership of the Audit & Corporate Governance Committee, within the parameters detailed in paragraph 5.3.

**6. Appendices**

A Standards Determination Sub-Committee, Terms of Reference

**7. Background Papers**

Report to Council of 21<sup>st</sup> April 2015 – establishment of Audit & Corporate Governance Committee,

Article 10 of the Council's Constitution – Audit & Corporate Governance Committee

**Standards Determination Sub-Committee****1. Terms of Reference**

The Sub-Committee is established to

- determine complaints following an investigation.
- give detailed consideration to revisions to the Code of Conduct as necessary for recommendation to the Committee.

**2. Following a hearing the Sub-Committee will make one of the following findings:**

- (a) That the Member who was the subject of the hearing had not failed to comply with the Code of Conduct of the relevant Authority concerned;
- (b) That the Member who was the subject of the hearing had failed to comply with the Code of Conduct of the relevant Authority concerned, but that no action needs to be taken in respect of the matters which were considered at the hearing; or
- (c) That the Member who was the subject of the hearing had failed to comply with the Code of Conduct of the relevant Authority concerned and that a sanction should be imposed.

**3. If the Sub-Committee makes a finding under paragraph 2(c) in respect of a person who is no longer a Member of any authority that the Committee has responsibility for it shall censure that person.****4. If the Sub-Committee makes a finding under paragraph 2(c) in respect of a person who is a serving Member of any authority that the Committee has responsibility for, it shall impose any of, or a combination of, the following sanctions:**

- (a) censure of that Member
- (b) restriction for a period not exceeding six months of that Member's access to the premises of the relevant Authority or the resources of the relevant Authority provided that those restrictions:
  - i. are reasonable and proportionate to the nature of the breach;
  - ii. do not unduly restrict the person's ability to perform the functions of a Member.
- (c) that the Member submits a written apology in a form specified by the Sub-Committee;
- (d) that the Member undertakes such training as the Sub-Committee specifies;
- (e) that the Member participate in such conciliation as the Sub-Committee specifies.

## 5 Appointment and Composition of the Sub-Committee

- (a) The Sub Committee will be convened as necessary from the membership of the Audit and Corporate Governance Committee. The Sub-Committee will therefore not have a fixed membership.
- (b) The Sub-Committee shall comprise five Members, of whom a maximum of three shall be elected members **drawn on a politically proportionate basis, wherever possible. If an opposition Member is not available, the three Members will be appointed from the same political party.** No more than two should be Co-Opted Independent Members of the Audit and Corporate Governance Committee.
- (c) The Sub-Committee shall elect a Chair at each hearing/meeting. The Chair will be an elected Councillor.
- (d) The appointment and composition of the Sub-Committee shall increase to include a Parish Member (observer) of the Audit and Corporate Governance Committee where the Sub-Committee is considering a report or recommendations that relate to a Parish Council Member.

## 6 Quorum

The quorum for a meeting of the Sub-Committee shall be three Members, two of whom must be elected Members and at least one Independent Member. When considering a matter relating to the conduct of a Member as Parish Councillor at least one Parish Council representative shall also be present.

## 7 Frequency of Meetings

The Sub-Committee shall meet as and when required to enable it to undertake its functions.

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