



CONFIDENTIAL

Members' Code of Conduct

CORPORATE SERVICES

INTERNAL AUDIT REPORT

2011/12

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Head of Legal & Democratic Services
(Monitoring Officer)**

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AUDIT UNDERTAKEN BY : Laura Taylor, Technical Support Officer

DATE OF AUDIT : August 2011

REFERENCE : 176/2011

THE AUDIT WAS CARRIED OUT IN ACCORDANCE WITH THE CIPFA CODE OF PRACTICE FOR INTERNAL AUDIT IN LOCAL GOVERNMENT AND THE INTERNAL AUDIT STANDARDS OF CENTRAL BEDFORDSHIRE COUNCIL INTERNAL AUDIT SECTION

Kathy Riches

Head of Internal Audit

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APPENDIX A - INTERNAL AUDIT CONTROLS ASSESSMENT SCHEDULE

1. INTRODUCTION AND BACKGROUND

- 1.1 The standards of behaviour expected of elected Members in Local Government are reflected in the local standards framework which includes the Local Government Act 2000 and the Model Code of Conduct (Members) 2007. The local standards framework gives local authorities the responsibility for upholding the ethical behaviour of their members.
- 1.2 The aim of this audit is to provide assurance to management that the Council has in place appropriate processes and controls to ensure that the key requirements of the local standards framework, as reflected in the Model Code of Conduct 2007, can be applied.
- 1.3 This audit also forms part of a rolling programme of assurance work on governance arrangements within the Council that helps inform the Annual Governance Statement.

2. RISK ASSESSMENT

- 2.1 Managers are responsible for identifying, evaluating, and managing risks and associated controls in their service area. They are responsible for managing and reporting actions on their respective risk registers that contribute to the corporate risk register.
- 2.2 In planning this audit exercise, the following were considered to represent the potential key risks to the system in failing to deliver the relevant Council service objectives:
 - The Council's Local Code of Conduct is not compliant with the Model Code of Conduct 2007
 - Members are not fully aware of the Code of Conduct and their responsibilities
 - Non compliance with the Code is not reported and/or reports are not properly dealt with.

3. AUDIT OBJECTIVES

- 3.1 The objective of this audit was to ascertain the extent to which the assessed risks have been identified and managed and to evaluate whether effective controls which mitigate the risks have been established within the systems and processes and that these have operated effectively throughout the period under review.
- 3.2 The main objectives of this audit were to:
 - Document the system, or if already done so, check the currency of the existing documentation.
 - Identify the controls in place to mitigate the identified risks and minimise fraud.
 - Provide an overall assessment as to the adequacy of controls in place to mitigate the risks and minimise fraud and identify action required to improve control where necessary.

4. SCOPE OF THE AUDIT

- 4.1 The processes audited were those supporting the Code of Conduct for members.
- 4.2 The main focus of this audit was the extent to which the assessed risks are being managed.

5. AUDIT APPROACH

- 5.1 The processes followed in conducting this audit were in accordance with the agreed Internal Audit Charter.
- 5.2 The Audit Manager met with the Principal Auditee at the start of the audit to discuss specifically how the audit was to take place.
- 5.3 The Audit Manager liaised with the Principal Auditee at the conclusion of the audit to discuss any issues arising from the audit testing in order to facilitate prompt remedial action by relevant officers.

6. OVERALL ASSESSMENT

- 6.1 Appendix A details the assessment of the expected controls identified to mitigate the potential key risks (as listed in paragraph 2.2 above).
- 6.2 An action plan has not been included as no findings were identified and no recommendations were made. The Council has in place appropriate processes and controls to ensure that key requirements of the local standards framework are applied.
- 6.3 In accordance with Internal Audit's current practice in providing a measured opinion as to the adequacy of the controls in place, and any subsequent risk, this audit exercise has concluded that the control environment for 2011/12 provides **Full Assurance**.

Full Assurance	Adequate Assurance	Limited Assurance	No Assurance
Good controls	Adequate controls	Limited controls	Inadequate controls
Low risk of not meeting objectives	Medium/Low risk of not meeting objectives	Medium risk of not meeting objectives	High risk of not meeting objectives
Low risk of fraud, negligence, loss, damage to reputation	Medium/Low risk of fraud, negligence, loss, damage to reputation	Medium risk of fraud, negligence, loss, damage to reputation	High risk of fraud, negligence, loss, damage to reputation
Level of Assurance: High	<i>Level of Assurance: Medium</i>	<i>Level of Assurance: Medium/Low</i>	<i>Level of Assurance: Low</i>

7. ACKNOWLEDGEMENTS

- 7.1 We would like to thank John Atkinson (Head of Legal and Democratic Services and Monitoring Officer) and Alan Millbery (Member/Civic and Ceremonial Support Officer) for their time and co-operation during the audit.

INTERNAL AUDIT CONTROLS ASSESSMENT SCHEDULE

RISK 1: The Council's local Code of Conduct is not compliant with the model Code of Conduct 2007

Control	Not in Place	Partially In Place	In Place
1.1 The Council has established a relevant committee with the applicable terms of reference.			G
1.2 Once a Standards Committee has been set up, it must send a copy of the committee's terms of reference to the Standards Board.			G
1.3 The monitoring officer advises the Standards Committee of necessary changes to the code for compliance with the LGA 2000.			G
1.4 The Council makes necessary arrangements for publicising the local code.			G
1.5 Relevant authorities are advised of the contents of the local code of conduct.			G
1.6 Updates of the code are sent to the Standards Board of England.			G
1.7 The local code contains all the compulsory provision of the model code and these remain unaltered.			G
1.8 The Council has adopted a local code within 6 months of the model code being made by parliament.			G

RISK 2: Members are fully aware of the Code of Conduct and their responsibilities

Control	Not in Place	Partially In Place	In Place
2.1 Council members agree in writing that they will observe the local code.			G
2.2 Council Members who fail to sign up to the local code, within 2 months of it being adopted, cease to be a member of Council.			G
2.3 Chief Executive and Monitoring Officer provide an induction and training for members, which include the code.			G

RISK 3: Non compliance with the Code is not reported and/or reports are not properly dealt with

Control	Not in Place	Partially In Place	In Place
3.1 The Standards Committee monitor the operation of the local code in conjunction with the Monitoring Officer.			G
3.2 There are adequate arrangements for reporting as well as arrangements for investigating breaches of conduct by members.			G