

LONDON BOROUGH OF LEWISHAM

MINUTES of the meeting of the STANDARDS COMMITTEE which was open to the press and public, held at LEWISHAM TOWN HALL, CATFORD, SE6 4RU on THURSDAY 15 MAY 2008 at 7:30p.m.

Present

Independent Members: Gill Butler, Sally Hawkins, David Roper-Newman, Cathy Sullivan and Lesley Thomas

Councillors Alan Hall, Daniel Houghton, Romayne Phoenix and Eva Stamirowski

Apologies: Suzannah Clarke and Councillor Philip Peake

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1	<u>MINUTES</u> RESOLVED that the minutes of the meeting held on the 3 April 2008 be approved as a correct record and signed by the Chair.
2	<u>DECLARATIONS OF INTEREST</u> None was declared.
3	<u>REVIEW OF LOCAL CODE OF CORPORATE GOVERNANCE 2007/08</u> Kath Nicholson, Head of Law and Monitoring Officer introduced the report and explained that the Council's Policy and Partnerships Unit had reviewed the local Code to ensure that the Council was compliant with the provisions of the updated national Code of Corporate Governance produced by CIPFA/SOLACE. Members of the Committee made various observations and sought some further clarification in relation to the current review. It was explained that the Local Code of Corporate Governance is reflective of the revised national framework and where additional evidence is suggested this is included in this year's review. Kath Nicholson further explained that for the forthcoming year the big focus will be on partnerships and indemnities for members on those bodies.

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Members of the Committee expressed a view that they were pleased to see the references to evaluating the impact of consultation on decision-making and service delivery set out in the terms of reference for the Consultation Steering Group.

Members sought clarification as to whether they were able to see the Council's Corporate Risk register and requested sight of the same. Kath Nicholson advised that it was a document subject to Freedom of Information Act requests and accordingly members of the Committee, as were members of the public generally, able to be provided with a copy.

A query was raised as to the overlap between the Audit Panel and the Standards Committee. The Head of Law explained that ethical governance is a constituent part of the Annual Governance Statement but not all of it and effectively looks at the way decisions are taken in the Council. It is for the Audit Panel to advise the Council on the entirety of the Annual Governance Statement.

RESOLVED that the outcomes of the review of the Local Code of Corporate Governance be noted.

4 HANDLING COMPLAINTS LOCALLY

Kath Nicholson introduced the report and referred the Committee to the Addendum to the report which was circulated separately. Kath Nicholson explained that Standards Board Guidance had only been received very recently and this was the reason why the addendum which made recommendations for the appointment of sub-committees and drafting of procedures to deal with the handling of complaints was circulated separately.

Kath Nicholson advised the Committee that historically there have been approximately 4/5 referrals a year to the Standards Board and there was no reason why this level of referral would not continue.

Kath Nicholson proposed that the Standards Committee establish 3 sub-committees to respond to initial assessments , reviews and the subsequent substantive hearings and further that such sub-committees should be chaired by an independent member.

It was proposed that there be 3 sub-committees established each consisting of 2 independent members and 2 councillors to be chaired by an independent member. It was further proposed that each sub-committee be empowered to carry out any of the

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functions – initial assessment, review and substantive hearing – on a rotation basis to avoid possible conflicts of interest.

It was proposed that the sub-committees be constituted as follows:

Committee A Chair: Gill Butler

Members: David Roper-Newman,
Paul Maslin & Dan Houghton

Committee B Chair: Leslie Thomas

Members: Cathy Sullivan, Alan Hall &
Romayne Phoenix

Committee C Chair: Sally Hawkins

Members: Suzannah Clarke, Philip
Peake & Eva Stamirowski

A query was raised as to how the Monitoring Officer will avoid possible conflicts of interests in such matters. Kath Nicholson confirmed that if the Monitoring Officer is presenting a case then clearly she cannot be an adviser as there would be a clear breach of Article 6 rights under the Human Rights Act 1998. She further explained that there is a power for the Monitoring Officer to request others to conduct an investigation and her intention was to possibly recruit the Council's Executive Directors to assist in such matters.

Kath Nicholson further explained that she could seek to develop a pairing arrangement with other local Monitoring Officers.

- RESOLVED
- (i) to note the impact of the Standards Committee (England) Regulations 2008 ;
 - (ii) agree to adopt procedures to deal with the handling of complaints received;
 - (iii) delegate to the Head of Law, having consulted with the Chair of the committee, the drafting of detailed procedures to deal with handling complaints at a local level;
 - (iv) agree the terms of reference for sub-committees to deal with initial assessment of complaints , review and hearings and to appoint members; and
 - (v) appoint 3 sub-committees with terms of reference as set out in Appendix A of the report

and for such sub-committees to deal with complaints on a rotational basis.

5 ANNUAL REVIEW OF COMPLAINTS MADE UNDER THE COUNCIL'S WHISTLE BLOWING POLICY

Kath Nicholson Head of Law and Monitoring Officer brought to the Committees attention the one referral that had been made since the last annual report to the Standards Committee in May 2007.

The referral related to allegations that staff in the Building Services Division were taking "points" from suppliers with whom they placed orders on behalf of the Council. In return for the "points" it was alleged that a number of electrical goods were delivered to Building Services and were allocated to staff to keep for personal use.

The Head of Law had referred the matter to Internal Audit for investigation in Autumn 2007 and the investigation which continued over several months eventually concluded that there was insufficient evidence available to substantiate the allegation made.

The Internal Audit investigation concluded that there was no intention to be fraudulent in any way and the auditors were satisfied that there was no intention for personal gain. The Head of Law reported that in the course of the investigation there were other concerns raised which currently remain under investigation.

The Head of Law further explained that there were some important lessons to be learnt from this investigation. Firstly it was clear that Building Services staff were not sufficiently familiar with the Employee Code of Conduct. This aspect had been rectified partly by the circulation of a practice note and by ensuring that relevant managers attend the Employee Code of Conduct training scheduled to take place in July 2008.

Secondly, the length of time in bringing this matter to conclusion was undesirable and the fact that elements of the investigation remain outstanding was of concern.

It was suggested that Internal Audit investigations are closely monitored and that progress on Internal Audit reports , including on Special Investigations be submitted as a regular item to the Audit Panel for scrutiny.

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A lively exchange of views on the processes of Internal Audit ensued and during the course of that exchange it became apparent that there was a distinction to be made between Internal Audits investigative functions and the possible separation of responsibility for decision making.

It was suggested that the Code of Conduct was possibly deficient in addressing the issues raised in this case. The Head of Law confirmed that the Employee Code of Conduct was not deficient in this respect.

The Head of Law agreed that the issues in relation to the distinction between investigation and decision making was a real one and welcomed the very useful exchange by the Committee.

Members of the Committee indicated that there was an issue in relation to the processes and understanding more clearly how Internal Audit approach investigations . It was suggested that it would be appropriate for someone from Internal audit to attend a meeting of the Committee to enlighten it on such matters.

The Committee requested that there is a report back on next steps.

- RESOLVED
- (i) to note the referral under the Councils' whistleblowing policy as set out in the report and reported to the Committee;
 - (ii) to recommend that a report appears on each agenda for the Audit panel setting out progress on Internal Audit reports and Special Investigations;
 - (iii) that the outcome of the further investigation into this case be reported back to the Standards Committee; and
 - (iv) an appropriate officer from Internal Audit attend a meeting of the Standards Committee to address the Committee on the work of Audit Services.

DATE OF NEXT MEETING

To be arranged.

The meeting ended at 9.15 p.m.

