



# Internal Audit

## Terms of Reference

### Internal Audit Plan 2023-24 (Ref XC23\_8)

### Standards Complaints

April 2023

#### Introduction and Ownership

The purpose of this Terms of Reference is to set out a risk evaluation and work programme for the review of Standards and Compliant Policy which is an addition to the Audit Plan 2023/24. The plan was developed following an assessment of the main risks facing the Council as documented in our Internal Audit risk assessment.

Chief Executive Officer – Peter Holt will take ownership of this review and will be responsible for agreeing the Terms of Reference. Norman Coombe will also be consulted.

#### Background

The Council is required to appoint a Monitoring Officer under section 5 of the Local Governance and Housing Act 1989 who is responsible for reporting matters they believe to be illegal or amount to maladministration, to be responsible for matter relating to the conduct of Councillors and Officers and, to be responsible for the operation of the councils Constitution.

The Chief Executive does not have a specified role in the handling of any individual Standards complaint, though he does properly keep a loose oversight on the progress of complaints generally, so that he can understand any broader implications for relations with Parish and District Councillors, and around any knock-on impacts from the issues being considered in relation to organisational effectiveness and efficiency, particularly any lessons that need to be learned and applied more broadly outside of the specifics of any individual complaint. The Chief Executive has commissioned an independent Audit based on both his personal observations in this general oversight role, and as a result of a particular complaint made directly to him regarding the handling of a Code of Conduct investigation.

## Audit objective

- To ensure that complaints are processed effectively and within timescale and are assessed appropriately taking into consideration the seriousness of the complaint. (Refer to Code of Conduct Procedure).
- To ensure that complaints are processed objectively and follow the principles of natural justice; the duty to give someone a fair hearing; the duty to ensure that the matter is decided by someone who is impartial; and the duty to allow an appeal against a decision.
- To ensure systems are in place to strike an appropriate balance between the proper objectivity of a tightly focused specific investigation and the broader interests of the organisation in promptly learning and applying broader lessons to general practice.
- To ensure that a full Audit trail is in place for all complaints from receipt to conclusion.

## Audit scope

This audit will review:

- To review how well complaints are triaged before being progressed as appropriate and proportionate e.g. considering prima facie evidence presented by the complainant at an early stage to indicate that a breach has potentially occurred.
- To review the established criteria for requesting a full independent investigation.
- To review how well the principles of natural justice are applied at all stages.
- To review how long complaints take and how much they cost, proportionate to their seriousness, and in light of any disproportionate unintended consequences arising from the process itself
- To review the current Considering a Compliant under the Code of Conduct Procedure. (dated 2017)
- Use at least three current/recent complaints as recommended by the Chief Executive (alongside any others that the Internal Audit team selects for itself) as test cases to review the process from receipt to conclusion.

The audit will focus on key controls in place to mitigate the following potential risks:

Risk ref	Risk	Risk identified and recorded in the relevant risk register
	<b>Governance</b> If the council does not have a clear and robust governance framework, then this could lead to ineffective and potentially unlawful decision-making, resulting in financial and reputational loss, maladministration and potential legal challenge.	CR_07

## Audit Approach

The review will be carried out using a risk-based approach. Internal Audit will:

- Obtain an understanding of the existing process through discussions with key personnel, review of systems documentation and by undertaking walkthrough tests;
- Evaluate the design of the controls in place to address the key risks;
- Test the operating effectiveness of the key controls by review and sample testing of documentation.

Action	Date
Agreement of terms of reference	25/4/2023
Fieldwork start	25/4/2023
Fieldwork complete	
Draft report to client	
Response by client	
Final report	

## Contacts

### Internal Audit

**Debbie Deeks** – Audit Manager

### Council Contacts

**Peter Holt** - Chief Executive

**Norman Coombe** – Interim Assistant Director, Deputy Monitoring Officer

**Richard Auty** – Assistant Director, Monitoring Officer