

Interim Internal Audit Report – Stanway Parish Council – October 2021

Introduction

The theme for this quarter's report was staffing, pay and associated personnel issues, although other matters including the emerging 2022/2023 budget were also reviewed.

Issues Identified During the Audit

a) Timing of Staffing Committee meetings

The Staffing Committee meets according to a pre-arranged schedule, roughly once every three months. Given the limited terms of reference of the Committee ("The Staffing Committee is appointed to consider all staffing matters, including grievance and disciplinary matters, and has the financial authority to incur expenditure as laid down in the Parish Council's Financial Regulations.") it should be possible to reduce the number of scheduled meetings, whilst allowing for urgent extra-ordinary meetings should the Committee need to address a recruitment, ill-health, or disciplinary matter, none of which can be pre-scheduled.

A reduced pattern of meetings might include one to set the future staffing budget, one to review staff training needs following the annual appraisals, and one to annually review all staffing policies.

b) Staffing Committee Agendas

The agendas for the past three meetings (April, July and October) have the same agenda items, making it seem as though (for example) the Council is reviewing its staffing structure and job descriptions at every meeting. This may be the case, but it would appear not from the minutes of these meetings.

Agendas should set out clearly the business to be transacted at the meeting.

The April agenda sets out that the meeting was being held on zoom, as enabled by the then legislation. However the July and September meetings both repeat that the meeting (although a physical meeting) is being held in accordance with the lapsed legislation.

The reference to lapsed legislation should be removed from agenda headings.

All three agendas state that this will not be a public meeting. This is incorrect and unlawful. All meetings of a Council (and its Committees) are open to the public until such time as the Council (or Committee) resolve to exclude the public and the press. Therefore for these three meetings the public can be admitted to the following items before the meeting goes into closed session:-

- 1) Chairman's Welcome

- 2) Apologies for Absence
- 3) Declaration of Interest
- 4) Approval of the Minutes of the previous meeting

The legislation quoted to exclude the public and press is incorrect. The correct legislation is the Public Bodies (Admissions to Meetings) Act 1960.

The Council should ensure that it complies with the Public Bodies (Admissions to Meetings) Act 1960.

c) Decision-Making

The Staffing Committee reviewed the salaries of the staff and recommended a significant increase in salaries to reflect the Council's enlarged property portfolio, following a report submitted by the Clerk.

There is no evidence of the need for a review of staff salaries being called for by Members, and it raises concerns that perhaps the Committee should have properly considered staff salaries before recruiting the new Clerk. Without wishing to offend the current Clerk would there have a wider pool of applicants if the post had been advertised at the significantly higher salary ?

During the meeting at which the Committee reviewed staff salaries there is no record in the minutes of any of the staff who were clerking and minuting the meeting either declaring an interest or withdrawing from the meeting leaving a Councillor to minute the proceedings.

The Council should ensure that if matters relating to a member of staff are to be discussed, the member of staff should absent themselves from the meeting and the Council appoint a member (not the Chair) to minute that part of the meeting.

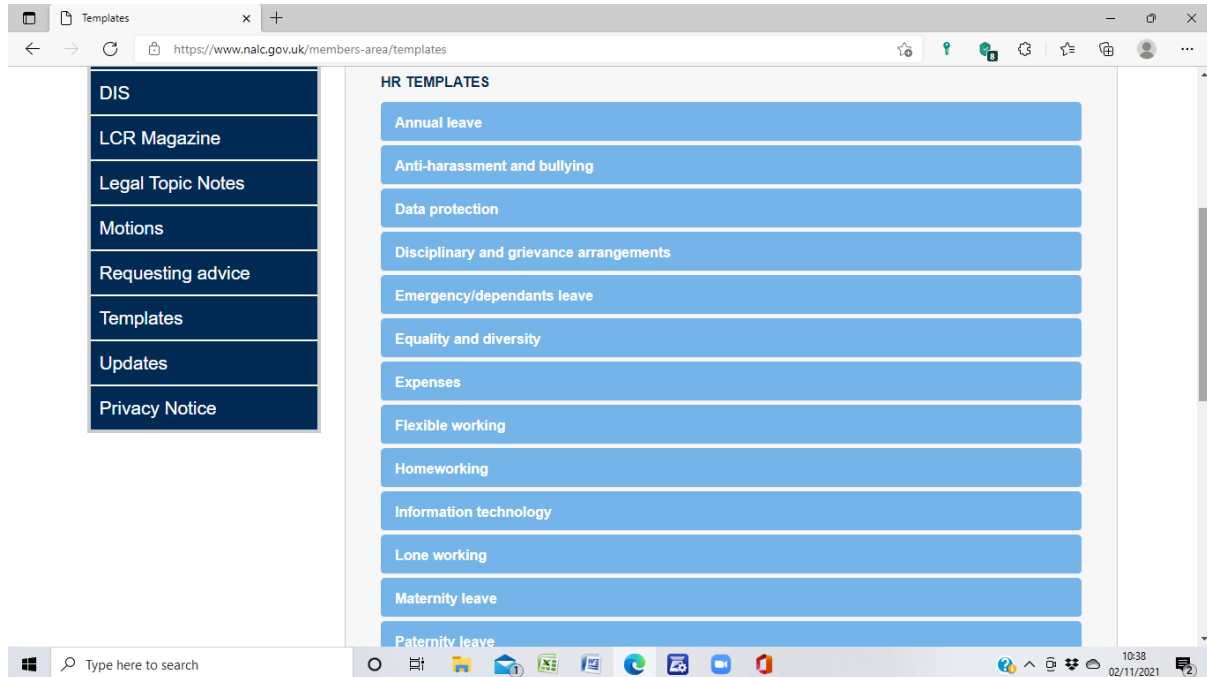
Whilst not directly related to the Staffing Committee there is evidence that decisions relating to the 2022/2023 budget are being taken before all the information is available to the Council. The Council's intention to restrain any Council Tax increase to 2.5% appears to have disregarded the near 23% increase in salaries (and consequent employer pension contributions), the current and forecast longterm price of energy, and subsequent announcements on the removal of the public sector pay freeze. Best practice for budget-setting is not that a pre-determined outcome is set, but rather than each element is reviewed as to continuing need, known (or best estimated) costs, together with any new projects or activities ceasing.

For the Council to function effectively decisions should be taken on the best available information at the time.

d) Personnel Policies

It is important the Council has personnel policies in place, yet their adoption continues to feature as an unresolved item on the Staffing Committee agendas.

NALC has published model policies which can be simply tailored to the Council's needs and then adopted by Council.



The Council should adopt these, and any other relevant policies, without delay.

e) Attendance of non-Committee Members

It was noted that Councillor Norton attended the Staffing Committee as a non-Committee member on 14th October 2021. Whilst in most instances Members who are not members of a Committee may attend, and with the permission of the Chair of Committee, speak (but not vote) at that Committee meeting, the same principle does not automatically apply at the Staffing Committee.

Councillors have no automatic right to information held by the Council; they have to demonstrate their need to know to the satisfaction of the Clerk. During Staffing Committee meetings information which is personal to an employee may be disclosed during the closed session, and for this reason the motion to exclude the public and press is deemed to include non-Committee members.

f) Committee Membership

It was reported that Councillor Norton was attending the Staffing Committee meeting on 14th October 2021 in order to ascertain whether she wished to become a member. This raises the issue as to how Committee places are allocated amongst

Councillors, which appears to be by self-selection. If this is the case there are two issues of concern:-

- a) That over time a Committee becomes inquorate as no new members wish to join it
- b) That the Council becomes run by a small clique who attend and control every meeting

Most Councils with Committees organise the appointment of Members to those Committees on party lines (each Committee has the same proportion of party members as represented on Full Council, or if warded, by equal number of Councillors from each ward. Members elected mid-term to Casual Vacancies take the Committee places of the member they replace until the following Annual Meeting.

The Council needs to consider adding to its Co-Option Policy the following statement “Members elected mid-term to Casual Vacancies take the Committee places of the member they replace until the following Annual Meeting”.

There would appear to be no formal training policy for newly-appointed Councillors. This presents a risk to the Council in that decisions made by made which are unlawful, and the Council should introduce some form of regular training programme for newly-appointed Councillors as well as refresher sessions for all Councillors.

- g) Staff Salary Payments

The generally accepted practice for permanent employee salary payments (paid monthly) is to divide the annual salary by 12. For part-time employees this annual salary is multiplied by a calculation which is “annual salary x weekly contracted hours/37”.

So for the Clerk, whose full-time equivalent annual salary from 1st October is £35,745, but whose contracted weekly hours are 30, one would expect an monthly salary of $£35,745 \times 30/37$ or £2,415.20.

However a practice seems to have evolved in Stanway Parish Council whereby the annual salary of part-time employees is calculated as follows – “hourly rate x weekly contracted hours x 52.14 weeks”. This gives a monthly salary payment for the Clerk of £2,421.90.

This over-payment is reflected for each of the part-time employees on fixed part-time hours. It is acceptable to use an hourly rate for calculating overtime or additional flat-rate payments for any additional hours worked, but Members need to recognise that there is no overtime paid to employees whose Spinal Column Point is 29 or above.

The law permits Councils to appoint staff at whatever salaries they determine, however it is unusual to find part-time staff with regular hours paid as Stanway Parish currently does.

Members need to resolve which method of annual salary calculation they wish to adopt for part-time employees.

h) Overtime/Additional Hours

There appears to be no measure by which the Council, the Chairman or the Clerk of the Staffing Committee authorise the payment of hours worked by staff over and above their contracted hours.

The Council needs to implement a procedure and policy governing pre-approval for additional hours and retain records of approvals granted. Where staff are not entitled to payment for additional hours a record should still be retained, and reviewed by the Staffing Committee on a regular (3-monthly ?) basis.