

**A MEETING OF THE  
EXTRAORDINARY POLICY AND ORGANISATION BOARD  
WAS HELD ON 14 AUGUST 2014**

The Mayor (Councillor Gill) (ex-officio) (P); Burgess, Chegwyn, Mrs Hook (P), Hicks (P), Hook (Chairman) (P), Jessop (P), Langdon, Philpott (P), Mrs Wright (P) and Wright (P)

It was reported that in accordance with Standing Order 2.3.6, Councillors Allen, Carter and Councillor Hylands had been nominated to replace Councillors Burgess, Langdon and Chegwyn for this meeting.

**17. APOLOGIES**

Apologies for inability to attend the meeting were received from Councillors Burgess, Langdon and Chegwyn.

**18. DECLARATIONS OF INTEREST**

There were none.

**19. DEPUTATIONS**

There were no deputations.

**20. PUBLIC QUESTIONS**

There were no public questions.

**PART II**

**21. ERNST & YOUNG – AUDIT PLANNING MEMORANDUM AND PROGRESS REPORT**

Consideration was given to a report from Ernst & Young detailing the audit planning memorandum which set out the work planned to enable Ernst & Young to issue the audit opinion on the financial statements and the value for money conclusion for 2013/14 in line with the requirement of the Audit Commission's Code of Audit Practice.

Members were advised that the report summarised Ernst & Young's assessment of the key risks and outlined the planned audit strategy in response to any potential risks identified.

Helen Thompson, External Auditor at Ernst & Young referred to Page 3 of the Audit Plan report and advised Members that the risk of management override relating to fraud risks were not specific to Gosport. It was explained that it was a factor that auditors considered to mitigate any potential fraud risks.

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It was further advised that their initial view of the draft financial statements was that they had been well prepared and they would be reporting to the Standards & Governance Committee in September 2014.

In response to a Members question concerning journal entries being highlighted as a potential risk, Mike Bowers of Ernst & Young clarified that this was a reporting tool used to investigate data and fraud analysis. It was confirmed that controls were in place to monitor journal entries and limits.

**RESOLVED:** that the Board:

- a) review the audit planning memorandum and note the audit opinion and value for money risks that have been identified, and Ernst & Young planned response to those risks and;
- b) note the progress report.

## **22. ANY OTHER BUSINESS**

Consideration was given to a report from the Chairman to recommend a change to the incremental points in the grade of the Chief Executive, to reduce the size of the gap between the grade applied to the post in Gosport and that which applied elsewhere in the County and in other equivalent councils. The Chairman explained the reasons of special circumstances as a matter of urgency were that this matter had been outstanding since the Chief Executive's personal review in March 2014 and that all the comparative data which had not been available for the July Board was now available.

Members were advised that the proposed salary grade would be the second lowest in the Hampshire area for the post of Chief Executive and that the last review of salaries at Chief Executive/Chief Officer level was undertaken in 2003.

In response to a Members question, it was clarified by the Borough Treasurer that the additional costs could be met within existing budgets.

Further to a Members question in relation to other council staff pay increases it was advised that there was a job evaluation scheme in place (for all staff other than the Chief Executive and Chief Officers) to re-evaluate and re-grade, where appropriate, posts where there are changes in duties and responsibilities, and that all staff under grade 7 were entitled to claim overtime for additional hours worked which was not available to Chief Officers.

Members acknowledged the significant high levels of performance, commitment and long hours that the Chief Executive had undertaken on a regular basis over and above the contractual hours to maintain outstanding service levels.

A vote was taken and it was agreed that the new pay scale be implemented.

**RESOLVED:** that the Board approve a change to the points within the grade of the post of Chief Executive with effect from 1<sup>st</sup> April 2014 by shortening the length of the grade, removing the lower points and adding additional points to the top, with

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the Chief Executive being placed on the top of the new grade (£91,071-£98,971) from that date to recognise his level of knowledge, experience and commitment.

The meeting ended at 18:30

**CHAIRMAN**