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24 October 2007

S U M M O N S

MEETING: Standards and Governance Committee
DATE: 1 November 2007
TIME: 6.00pm
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Chris Wrein

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE COMMITTEE

Independent Members

Mr R V Perry (Chairman)	Vacancy
Councillor Carr	Councillor Smith
Councillor Kimber	Councillor Wright
Councillor Langdon	Councillor Mrs Wright

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm (continuous ringing) or controlled evacuation alarm (intermittent ringing) sounding, please leave the room immediately.
Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Members are requested to note that if any member wishes to speak at the meeting then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

Standards and Governance Committee
1 November 2007

AGENDA

RECOMMENDED
MINUTE
FORMAT

PART A ITEMS

1. APOLOGIES FOR NON-ATTENDANCE
2. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

3. MINUTES

To approve as a correct record the Minutes of the Committee meeting held on 13 September 2007 (copy attached)

4. DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Committee is required to receive a deputation(s) on a matter which is before the meeting of the Committee provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Tuesday 30 October 2007. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Committee is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Committee provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Tuesday 30 October 2007).

6. INTERNAL AUDIT POSITION STATEMENT AT 30 SEPT 2007

Part II

To provide the Committee with the latest information arising from the internal audit work up to the end of September 2007.

Contact Officer;
Chris Davis
Ext 5306

7. ANY OTHER ITEMS

-which by reason of special circumstances the Chairman considers should be considered as a matter of urgency

A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE

WAS HELD ON 13 SEPTEMBER 2007

Councillors Carr (P), Kimber (P), Langdon (P), Smith , Wright (P) and Mrs Wright (P)

Independent Members: Mr R V Perry (P), vacancy.

Also present: Mr Mike Attenborough-Cox, Mazars (External Auditors)

13. APOLOGY

An apology for inability to attend the meeting was received on behalf of Councillor Smith.

14. DECLARATIONS OF INTEREST

There were no declarations of interest.

15. MINUTES

RESOLVED: That the Minutes of the meeting of the Standards and Governance Committee held on 19 July 2007 be approved and signed by the Chairman as a true and correct record.

16. DEPUTATIONS

There were no deputations.

17. PUBLIC QUESTIONS

There were no public questions.

18. REPORT TO THOSE CHARGED WITH GOVERNANCE 2006/07

The external auditor's report (a copy of which is attached in the Minute Book as Appendix "A") was introduced by Mr Attenborough-Cox of Mazars.

The work of the external auditors on the Council's Statement of Accounts was now substantially complete. A small number of mis-statements had been discovered but these had now been corrected. There were no issues of concern for Members and it was expected that an unqualified audit opinion would be issued by 28 September 2007.

The external auditors' work on the Council's use of resources was also nearing

completion. It was considered that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and it was expected that an unqualified opinion would be issued by 28 September 2007.

With regard to the Council's 2006/07 Best Value Performance Plan, the external auditors were satisfied that it had been prepared and published in accordance with the statutory requirements and that there were no matters that needed to be reported formally to the Council.

RESOLVED: That:

(a) the report of the external auditors (Mazars) to those charged with governance for 2006/07 be noted; and

(b) the Letter of Representation for the 2006/2007 audit be approved for signing by the Deputy Chief Executive and Borough Treasurer.

The meeting commenced at 6.00pm and concluded at 6.15pm.

CHAIRMAN

AGENDA ITEM NO. 6

Committee:	Standards & Governance Committee
Date of Meeting:	1 November 2007
Title:	Internal Audit Position Statement at 30 Sept 2007
Author:	Head of Internal Audit & Risk Assurance
Status:	For Decision

Purpose

This report provides the Standards and Governance Committee with the latest information arising from the internal audit work up to the end of September 2007.

Recommendation

That the Standards and Governance Committee note the output and outcomes of the internal audit section against its overall annual plan at the half year stage.

1 Background

- 1.1 This report provides a half yearly update on the completion of the 2007/2008 audit plan and highlights agreed recommendations to management.

2 Report

Progress on completion of the 2007/2008 Audit Plan

- 2.1 Progress against the agreed annual audit plan has been encouraging through the first six months of the year. The program is on target to achieve full coverage by the 31st March 2008 (see Appendix One). In addition, a summary of agreed internal audit recommendations is included within this information. There have been some minor amendments to the agreed annual audit plan that are highlighted in Appendix Two following the first six months of actual internal audit coverage.
- 2.2 The team remains stable and much work is being done around internal processes to improve the operational workflow. The team is striving to achieve more with the same capacity. Professional and internal training has enhanced both individual personal performance, the Section's overall performance and the quality of output has improved over the year.

- 2.3 Longer term opportunities for collaborative working are currently being explored with Eastleigh Borough Council and it's my intention to bring a paper back to Members on this proposal later in the year. There is a direct impact on the current audit plan of 45 days that will inject over £13,000 in income for the Authority (to be covered by reduced internal administration, management and contingency due to a settled and professional team).
- 2.4 The three year strategic plan is being reviewed later this year and will be rolled forward to take into account the coming three years and measure the impact of the longer term proposal of the joint internal audit arrangement with Eastleigh. A paper will be presented to Members at the March meeting for decision. Furthermore, meetings are to be arranged with all the Council's senior managers to assist in the formulation of the 2008/09 annual audit plan later this month. These will be scheduled for January 2008. The annual audit plan for 2008/09 will also be presented to the Committee in March 2008.

3 Risk Assessment

- 3.1 The work performed by Internal Audit assists in reducing the overall risk exposure in the Council's operations and provides a degree of support to management in placing reliance on the adequacy of controls within their Services.

4 Conclusion

- 4.1 This report outlines the actual audit coverage from April 2007 to the end of September 2007. The remaining audit work over the remaining six months (October 2007 – March 2008) has been discussed and assignments allocated with individual auditors to plan for 100% coverage for 2007/08.

Financial Services comments:	Nil
Legal Services comments:	Nil
Service Improvement Plan implications:	The information provided within the report has a direct link to improving the overall governance arrangements within the Council.
Corporate Plan:	The Internal Audit coverage supports all Council Services in pursuit of their overall corporate objectives.
Risk Assessment:	See Section 3
Background papers:	Nil
Appendices/Enclosures:	<ul style="list-style-type: none"> • Appendix One – Actual Audit coverage to 30 Sept 2007 • Appendix Two – Revised Internal Audit Plan 2007/08
Report author/ Lead Officer:	Chris Davis 023 9254 5306

Appendix One

Internal Audit progress as at 30 September 2007

Audit Subject (28)	Risk factor#	Status
Benefits (06/07)	F1	Completed
Choice Based lettings (06/07)	1	Completed
VAT	2	75% WIP
Insurance	2	Completed
Accounting Reconciliation (06/07)	F1	Completed
Licencing Act (06/07)	2	Completed
Temporary Accommodation (06/07)	1	Completed
Election Accounts	3	95% WIP
Dog Control & Kennelling	3	Completed
Building Control (joint with FBC)	3	99% WIP
Benefit Fraud Prevention & Detection	F1	95% WIP
Banking Services	3	90% WIP
Rodent & Pest Control	3	Completed
Cashiers	3	Completed
Treasury Management	1	Completed
Financelink	F1	90% WIP
Business Continuity	1	25% WIP
Sheltered Accommodation	2	50% WIP
Grounds Maint. & Street Cleansing	1	50% WIP
HRA Business Plan	1	Delayed till later in Q3
Housing Voids	1	75% WIP
Town Hall & WLD Security	1	75% WIP
Enforcement	1	95% WIP
Car parking	1	95% WIP
Holbrook	1	50% WIP
Section 106's (Commuted Sums)	1	10% WIP (Dec 07)
Utilities & Mobile Phones	2	10% WIP
Refuse & waste recycling	2	25% WIP

Risk factor definition

F1 - Fundamental system that must be reviewed annually

1 - Must be reviewed at least twice within the 3 year strategic plan

2 - Must be reviewed at least once within the 3 year strategic plan

3 - Must be reviewed at least once in 5 years

Recommendation Schedule as at 30 September 2007

Advisory	Important	Essential	Critical
12	33	2	0

Appendix Two

Revised Internal Audit Plan 2007/08

Audit Subject	Proposed Audit Coverage 2007/08 (days)	Revised Audit Coverage 2007/08 (days)	Variance (days)
Financial Services	239	231.75	- 7.25
Management/VFM*	145.50	155	9.50
Corporate Services	140	125.25	-14.75
LADS	8	8	-
Chief Executive's	27	26	-1
Development Services	37	30.75	-6.25
Environmental Services	98	96.50	-1.5
Leisure & Cultural Services	57	55.25	-1.75
Housing Services	108	119.50	11.5
Contingency	35	15	-20
Proposed Income		45	45
Total rechargeable	894.50	908	13.50
Total Audit Resource	1320	1320	-

*VFM – value for money