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11 July 2007

S U M M O N S

MEETING: Standards and Governance Committee
DATE: 19 July 2007
TIME: 6.00pm
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Chris Wrein

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE COMMITTEE

Councillor Carr	Councillor Smith
Councillor Kimber	Councillor Wright
Councillor Langdon	Councillor Mrs Wright

Independent Members

Mr M J Heritage-Owen	Mr R V Perry
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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 bomb alert (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.

AGENDA

RECOMMENDED
MINUTE
FORMAT

PART A ITEMS

1. APOLOGIES FOR NON-ATTENDANCE
2. ELECTION OF CHAIRMAN FOR THE MUNICIPAL YEAR 2007/08
3. ELECTION OF VICE-CHAIRMAN FOR THE MUNICIPAL YEAR 2007/08
4. 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.

5. MINUTES
To approve as a correct record the Minutes of the Committee meeting held on 23 April 2007 (copy attached)

6. 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 17 July 2007. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

7. 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 17 July 2007).

8. COMPLAINTS PROCEDURES AND ANALYSIS

Part II

To monitor the formal complaints received during 2006/7 financial year and consider draft guidance notes for officers involved in future complaints investigations (Report attached)

Contact Officer:
Ken Lucking
Ext 5305

Standards and Governance Committee
19 July 2007

- | | | |
|-----|---|---|
| 9. | LOCAL GOVERNMENT OMBUDSMAN: ANNUAL LETTER 2006/07 | Part II |
| | <i>To advise the Committee of the Annual Letter 2006/07 received from the Local Government Ombudsman (Report attached)</i> | Contact Officer:
Linda Edwards
Ext 5400 |
| 10. | ANNUAL REPORT 2006/07 OF THE HEAD OF INTERNAL AUDIT & RISK ASSURANCE | Part II |
| | <i>To provide the Members with the Annual Report for 2006/07 from the Head of Internal Audit & Risk Assurance (Report attached)</i> | Contact Officer:
Chris Davis
Ext 5306 |
| 11. | INTERNAL AUDIT OUTCOME STATEMENT (Q1) 2007/08 | Part II |
| | <i>A verbal report will be made to the Committee</i> | Contact Officer:
Chris Davis
Ext 5306 |
| 12. | INTERNAL AUDIT STRATEGIC PLAN 2007/10 | Part II |
| | <i>To present the three-year strategic internal audit plan for 2007/08 to 2009/10 (Report attached)</i> | Contact Officer:
Chris Davis
Ext 5306 |
| 13. | ANY OTHER ITEMS
<i>-which by reason of special circumstances the Chairman considers should be considered as a matter of urgency</i> | |

A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE

WAS HELD ON 23 APRIL 2007

Membership:

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

Independent Members: Mr M J Heritage-Owen (P)
Mr R V Perry (P)

48. APOLOGY

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

49. DECLARATIONS OF INTEREST

There were no declarations of interest.

50. MINUTES

RESOLVED: That the Minutes of the meeting of the Standards and Governance Committee held on 1 February 2007 be approved and signed by the Chairman as a true and correct record.

51. DEPUTATIONS

There were no deputations.

52. PUBLIC QUESTIONS

There were no public questions.

53. ANNUAL AUDIT AND INSPECTION LETTER AND AUDIT INSPECTION PLAN

Consideration was given to draft versions of the above two documents which were presented by representatives of the Audit Commission and the Council's Appointed Auditors (Mazars).

Members expressed a number of views on aspects within the draft documents and asked that consideration be given to reflecting these views in the final versions.

It was decided that the Chief Executive should liaise with the Audit Commission on the proposed amendments to the documents and provide subsequent revised copies to all Members of the Committee.

RESOLVED: That, following the views expressed by Members of the Committee, the Chief Executive be requested to liaise with the Audit Commission on the proposed amendments to the Annual Audit and Inspection Letter and Audit Inspection Plan and provide subsequent copies of the revised documents to all Members of the Committee.

54. USE OF RESOURCES - UPDATE

Consideration was given to a report of the Borough Treasurer which informed the Committee of the progress being made with the action plan for improvement of the Council's Use of Resources score.

The Council had achieved an overall score of 2 in the 2005 assessment, the intention being to achieve 3 in the medium term.

Members were advised that the next report on this matter would include a revised timetable and would highlight completed actions and amendments.

Concerns were raised regarding the use of consultants to work on the Council's Business Continuity Plan. Members were advised that this was due to a lack of appropriate resources in-house and that quotations for this work were regarded as acceptable. Consultants would be working on ten major areas of the Council's business. The remainder of the work would be carried out in-house.

RESOLVED: That the report of the Borough Treasurer be noted.

55. ASSET MANAGEMENT PLAN

The Committee was invited to consider the Council's Asset Management Plan and to comment on its content prior to it being submitted to the Overview and Scrutiny Committee and the Policy and Organisation Board for adoption.

Members made the following observations:

- the housing management strategic partnership between the Council and Connaught/1st Saxon was monitored by the Housing Service Manager
- the management of Council owned garages should not be transferred from Housing Services
- the Asset Management Plan should be continuously under review

- the glossary to the Asset Management Plan should be placed at the beginning of the document
- the difference between operational properties, other land and buildings and key non-operational investment properties should be explained more clearly
- Part 7 of the plan related to the property review should be included earlier in the document

RESOLVED: That the report of the Development Services Manager on the Asset Management Plan be noted together with Members' observations.

56. INTERNAL AUDIT: PROGRESS REPORT FROM 31 DECEMBER 2006 TO 31 MARCH 2007

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which:

- i) advised the Committee of the performance of the Internal Audit Section in the period to week 52 (1st April – 31st March 2007) against the agreed audit plan to the Members with responsibility for governance;
- ii) provided an independent internal audit opinion on the overall control environment of those areas reviewed within a brief executive summary;
- iii) provided Members with a table of critical and essential internal audit recommendations, Service Managers' comments, responsible officers and target implementation dates from the reviews this year; and
- iv) provided Members with the important and advisory internal audit recommendations agreed with management for noting.

The Committee had been requested to review the performance of Internal Audit from April 2006 to March 2007.

Members were advised that External Audit had now completed its work on the Internal Audit fundamental review.

RESOLVED: That the following be noted:

- a) the Head of Internal Audit's independent audit opinion on the level of assurance related to the control environment; and
- b) the schedule of the Internal Audit recommendations reported in both the critical and essential recommendations.

57. INTERNAL AUDIT PLAN 2007/08

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which advised the Committee of the Annual Audit Plan coverage for 2007/08 and consequent recommendation for approval.

A summary of the planned Internal Audit coverage for 2007/08 was circulated to the Committee. The plan was flexible but any changes would be reported to the Committee.

Members were advised that new areas of work included the Customer Relationship Management System & Citizens' Portal and regeneration projects.

In answer to a Member's question regarding prioritisation within the plan and whether this was determined by risk, officers advised that priorities and the risk profile could be more easily understood from the Strategic Audit Plan.

RESOLVED: That the Annual Audit Plan coverage for 2007/08 be approved.

58. NEW MODEL CODE OF CONDUCT

Consideration was given to a report of the Borough Solicitor which advised the Committee of the New Model Code of Conduct and recommended its adoption without amendment.

Members were advised that final approval to adopt the new model would be sought at the May 2007 meeting of the Council, following which training for Members would be arranged. A report on breaches of the code would be submitted to a later meeting of the Committee.

RESOLVED: That Council be recommended to adopt the New Model Code of Conduct without amendment and that the Ten Principles of Local Government Conduct be a non-enforceable annex to the Code.

59. GOSPORT BOROUGH COUNCIL'S ASSURANCE FRAMEWORK

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which sought Members' agreement to the newly created Council's Assurance Framework, following the External Audit review of requirements under the Audit Commission Use of Resources assessment.

RESOLVED: That Council be recommended to adopt the new Assurance Framework without amendment.

60. ANTI FRAUD AND CORRUPTION POLICY

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which advised the Committee of the New Anti Fraud & Corruption Policy and recommended its adoption without amendment.

It was reported that there were a number of strategies underlining this policy and that use had been made of best practice and CIPFA guidance.

Members were advised that, once the policy had been incorporated into the Council's constitution, the Council may be able to move towards a score of three within the Use of Resources (Internal Control) assessment.

The Committee thanked officers for their work in enabling the Council to achieve a "strong 2" Use of Resources score.

RESOLVED: That the Policy & Organisation Board and Council be recommended to adopt the New Anti Fraud & Corruption Policy in line with best practice and the Audit Commission Key Line of Enquiry – Use of Resources, for inclusion into the Council's Constitution.

The meeting commenced at 6.00pm and concluded at 8.30 pm

CHAIRMAN

AGENDA ITEM NO. 8

Board/Committee:	STANDARDS AND GOVERNANCE COMMITTEE
Date of Meeting:	19 JULY 2007
Title:	COMPLAINTS PROCEDURES AND ANALYSIS
Author:	CORPORATE SERVICES MANAGER
Status:	FOR RECOMMENDATION

Purpose

To monitor the formal complaints received during 2006/7 financial year and consider draft guidance notes for officers involved in future complaints investigations.

Recommendation

It is recommended that the Committee, having given due consideration to the contents of the report, provide feedback as appropriate to the Council Management Team on the management of the formal complaints received in 2006/7 and approve a set of guidelines for staff for future use.

1 Background

- 1.1 At its meeting on 14 December 2006 the Committee received a report outlining the operation of the Council's formal complaints procedure together with an analysis of complaints for the first 6 months of the 2006/7 financial year.
- 1.2 It was agreed that Officers would prepare a monitoring report on a six-monthly basis to enable Members to make recommendations to Council on the operation of the Complaints Procedures, identify trends in complaints and recommend remedial action.

2 Report

- 2.1 All formal complaints received, either on-line or in writing, are managed and monitored by staff in the Corporate Services Unit. Initially the complaint is dealt with as a Stage 1 and is allocated to the appropriate Service Unit Manager for a response. If the complainant remains dissatisfied, the complaint is escalated to Stage 2 and arrangements are made for an independent Manager to investigate the matter and write directly to the complainant with their findings and conclusions. If the complainant remains dissatisfied after the Stage 2 process they can request that their complaint is escalated to Stage 3 whereby it is considered by a Panel of 3 Councillors. The complainant has an ultimate right to refer their complaint to the Local

Government Ombudsman at any time, however the Ombudsman will not normally consider a complaint until and unless the local authority's internal complaints procedures have been exhausted.

- 2.2 An analysis of Stage 1, 2 and 3 formal complaints across Service Units is shown in Appendix A. As can be seen there were 52 complaints overall of which 9 progressed to Stage 2 and 3 to Stage 3. Unfortunately, comparative figures for previous years are not available.
- 2.3 An analysis of the type of complaint received during 2006/7 is attached as Appendix B. It is not considered that there is any particular trend which would give cause for concern and the overall number of complaints is encouragingly low, averaging at one formal complaint a week. The most common types of complaint relate to housing matters and refuse collection which is perhaps to be expected given the nature of these services.
- 2.4 A qualitative analysis of complaints for 2006/7 has also been carried out to determine whether the process has had a positive effect in either identifying improvements in procedures or in the way services are delivered. A summary of the results of the exercise is shown in Appendix C and does indicate that, where appropriate, changes have been made to prevent recurrences of a problem. It is also evident that the Council has tried to assist complainants in circumstances where the Council was not responsible for the problem, but has referred it to or taken it up with the relevant third party agency or company. In a number of cases Service Units have liaised with other relevant Units to achieve a satisfactory outcome. However, it is accepted that more work needs to be done in this area to identify whether any follow-up action that has been taken has been successful in improving service delivery. This will therefore be incorporated in the analysis for 2007/8.
- 2.5 A survey of complainants, asking for opinions and comments on the complaints procedures (rather than the outcome) has also been carried out and an analysis is shown in Appendix D. The results are somewhat mixed but people's views are often influenced by the outcome of their complaint rather than the efficiency of the process. Most of the critical comment related to dissatisfaction with the fact that the complaint was not upheld. Nevertheless the feedback has proved useful in assessing the effectiveness of the complaints procedures.
- 2.6 No complaints were received in respect of equality or diversity issues.
- 2.7 The Local Government Ombudsman has recently issued guidance for dealing with unreasonably persistent complainants or unreasonable complainant behaviour. This guidance is being

reviewed by Council Management Team with a view to incorporating appropriate wording in the Complaints Policy and Procedures. A further report on this matter will be submitted to the next Meeting.

3 Guidelines for Staff

- 3.1 The proposed set of guidelines for staff are included as Appendix E.

4 Risk Assessment

- 4.1 There is no identifiable business risk associated with this report.

5 Conclusion

- 5.1 The new formal complaints arrangements have now been in place for approximately 15 months. The number of formal complaints is relatively low and there are no particular or unexpected trends. Complaints have been reviewed and analysed to identify opportunities for improving services and procedures and wherever possible appropriate action has been taken.
- 5.2 The Complaints processes and procedures appear to be operating satisfactorily and it is not recommended that any changes are made although further reviews will take place on a regular basis.
- 5.3 Further work needs to be done in future years with regard to determining how effective the complaints process has been in improving service delivery.

Financial Services comments:	There are no financial implications.
Legal Services comments:	
Service Improvement Plan implications:	There are none.
Corporate Plan:	The effective management of complaints procedures contributes to the strategic priority of enhanced customer service.
Risk Assessment:	There are no business risks associated with this report.
Background papers:	None
Appendices/Enclosures:	
Appendix 'A'	Complaints analysis across Service Units 2006/7
Appendix 'B'	Analysis by type of complaint 2006/7
Appendix 'C'	Complaints 2006/7 Qualitative Analysis
Appendix 'D'	2006/7 Complainant survey
Appendix 'E'	Guidelines for Staff
Report author/ Lead Officer:	Ken Lucking, Corporate Services Manager

APPENDIX A

COMPLAINTS ANALYSIS

	Stage 1 Service Manager	Stage 2 Independent Manager	Stage 3 Members' Panel
BUSINESS UNIT			
Chief Executive	1	1	0
Development Services	5	1	1
Financial Services	5	1	0
Housing Services	13	6	2
Legal and Democratic Services	0	0	0
Leisure and Cultural Services	6	0	0
Environmental Services	21	0	0
Corporate Services	1	0	0
TOTAL	52	9	3
Percentage responded to within target 10 working days			46/52 88.46%

APPENDIX B

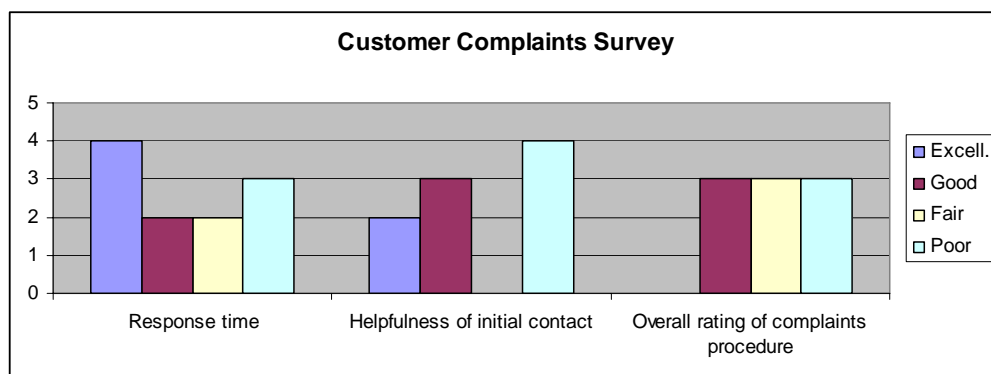
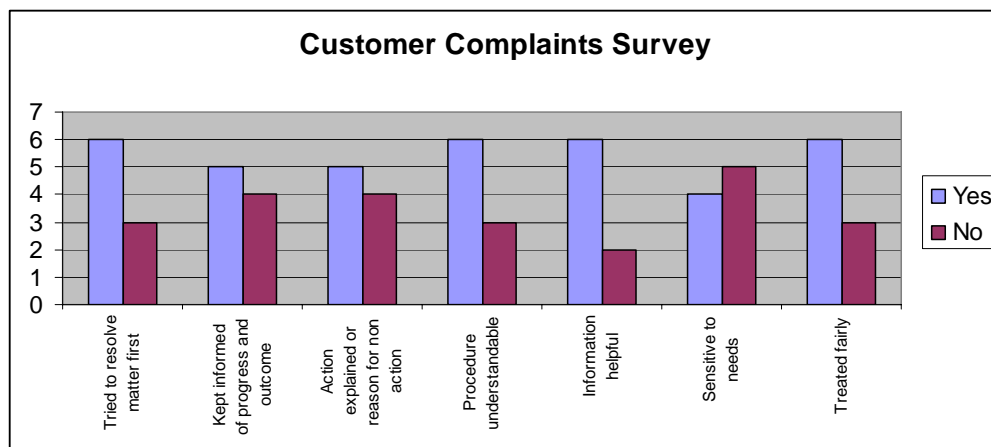
2006/7 COMPLAINTS - ANALYSIS BY TYPE OF COMPLAINT

Housing	11
Refuse Collection	6
Planning	3
Street litter	3
Benefits	3
Noisy/nuisance neighbours	3
Grass Cutting	2
Holbrook (Cleanliness)	2
Public toilets	2
Flowerbeds	1
Tree Felling	1
Fly Tipping	1
Pest Control	1
E/H staff	1
Switchboard	1
Leisure (Location of new Basketball Court)	1
Privett Park (Cleanliness)	1
Football pitch hire (Public Liability insurance)	1
Tourism (holiday lets)	1
Various (Jenking-Rees)	1
Elmore Lake	1
CRB	1
Council Tax	1
Disabled parking bay	1
Dropped Kerb	1
Cycle way	1
TOTAL	52

QUALITATIVE ANALYSIS							APPENDIX C
	No. of complaints	Complaint against GBC was justified	Action was taken as a result of complaint	There was an agreement to follow up	Follow-up took place	There were corporate implications (other units)	These were followed up
SERVICE UNIT							
Chief Executive	1	0	0	0	N/A	0	N/A
Development Services	5	1	2	0	N/A	1	HSE
Financial Services	5	1	0	0	N/A	0	N/A
Housing Services	13	5	5	5	5	1	1
Legal and Democratic Services	0	0	0	0	0	0	0
Leisure and Cultural Services	6	3	6	4	4	0	N/A
Environmental Services	21	12	10	0	N/A	N/A	N/A
Corporate Services	1	1	1	0	N/A	N/A	N/A
TOTAL	52	23	24	9	9	2	1

APPENDIX D

SURVEY TOPIC	Excell.	Good	Fair	Poor	Yes	No
Response time	4	2	2	3		
Helpfulness of initial contact	2	3	0	4		
Overall rating of complaints procedure	0	3	3	3		
Tried to resolve matter first					6	3
Kept informed of progress and outcome					5	4
Action explained or reason for non action					5	4
Procedure understandable					6	3
Information helpful					6	2
Sensitive to needs					4	5
Treated fairly					6	3



APPENDIX E

GUIDELINES FOR STAFF

STAGE 1 - INVESTIGATION BY RELEVANT SERVICE UNIT MANAGER

Manager to *personally* carry out the following tasks within 10 working days of the request (unless a later date due to leave has been notified to the Complaints Officer):

1. Request appropriate Section Head or Supervisor to provide a summary of the case
2. Obtain all relevant information – correspondence, e-mails, file notes, forms etc
3. Interview relevant staff and obtain written statement(s) if necessary
4. If required contact the complainant and obtain their views and clarify any areas of confusion
5. Review all aspects of the case, reach conclusion
6. Write to (or email if appropriate) the complainant clearly setting out findings, conclusions, any action to be taken and whether there is a need for any follow-up, advise of right to a Stage 2 review
7. If complaint is justified consider whether any action needs to be taken to prevent any recurrence
8. If there is an agreement to follow-up make appropriate reminder note
9. Consider whether there are any corporate or other Unit implications and take action accordingly

STAGE 2 – REVIEW BY INDEPENDENT MANAGER

1. Obtain all relevant information – correspondence, e-mails, file notes, forms etc
2. Interview relevant staff and obtain statement(s) if necessary
3. Contact the complainant and obtain their views and clarify any areas of confusion
4. Review all aspects of the case, reach conclusion
5. Write to (or email if appropriate) the complainant, within 20 working days of request, clearly setting out findings, conclusions, any action to be taken and whether there is a need for any follow-up, advise of right to Stage 3 review
6. If complaint is justified consider whether any further action or follow-up needs to take place to prevent any recurrence and discuss with Service Unit Manager

STAGE 3 – REVIEW BY COMPLAINTS PANEL

1. Complaints Officer to convene a Panel Hearing, within 30 working days of request
2. Complaints Officer to ensure appropriate officers will be present – including the relevant Service Unit Manager and Stage 2 Manager

3. Compile all relevant case documentation and circulate to all those required to attend the Panel meeting, at least 5 working days prior to the Hearing
4. All relevant officers to fully prepare to present their case to the Panel and answer any questions from those present
5. The Complaints Officer to take notes of the Hearing and circulate within 5 working days
6. The Chief Executive or Corporate Services Manager to write formally to the complainant within 5 working days, setting out the findings and conclusions of the Panel and enclosing payment of any compensation that may have been agreed by the Panel

Agenda item no. 9

Board/Committee:	Standards and Governance Committee
Date of meeting:	19 July 2007
Title:	Local Government Ombudsman: Annual Letter 2006/07
Author:	Borough Solicitor
Status:	For Decision

Purpose

To advise the Committee of the Annual Letter 2006/07 received from the Local Government Ombudsman.

Recommendation

That the Committee note the report.

1.0 Background

- 1.1 The Local Government Ombudsman writes to all local authorities on an annual basis summarising the complaints about the authority which have been dealt with by the Ombudsman during the previous year ending 31 March.
- 1.2 The Ombudsman's Annual Letter 2006/07 is attached to this report as Appendix A.

2.0 Report

- 2.1 The Ombudsman reported that, during 2006/07 a total of six complaints were received by him against Gosport Borough Council, which was regarded as very low. Three of these were investigated by the Ombudsman's office and no fault with the Council was found. The other three were not pursued by the Ombudsman for other reasons.
- 2.2 The Ombudsman held the view that the Council's own complaints procedure seemed to be accessible, with the procedure and a complaints form appearing on the Council's website. This also contained a link with the Ombudsman's website and complaints form.
- 2.3 The Ombudsman made reference to the one case where it took longer than expected to obtain a response from the Council. The Ombudsman appreciated the complexity of some complaints but would welcome any steps the Council could take to improve response times.
- 2.4 The timetable for responses to the Ombudsman is monitored by officers and action taken where necessary.

3.0 Risk assessment

- 3.1 It is important that the Council has an effective and robust Customer Complaints Procedure in place in order to minimise the instances of compensation being paid.

4.0 Conclusion

That the Borough Solicitor's report be noted.

Financial implications:	The Council may agree, where it feels justified, to make compensation payments to complainants. The Ombudsman may make recommendations regarding compensation
Legal implications:	None
Service Improvement Plan implications:	None
Corporate Plan:	The information provided by the Ombudsman assists the Council in more effectively managing its performance and enhancing customer service
Risk Assessment:	It is important that the Council has an effective and robust Customer Complaints Procedure in place in order to minimise the instances of compensation being paid
Background papers:	Local Government Ombudsman Complaint Statistics
Appendices/Enclosures:	Appendix A – Local Government Ombudsman's Annual Letter 2006/07
Report Author/Lead Officer:	Linda Edwards

20 June 2007



**The Commission for
Local Administration in England**

Mr I Lycett
Chief Executive
Gosport Borough Council
DX 136567
Gosport 2

Jerry White
Local Government Ombudsman

Neville Jones
Deputy Ombudsman

Our Ref: JRW/NM/jd

Please quote our reference when contacting us and,
if using email, please put the reference number in the email subject header

**If telephoning please contact Ms Vereena Jones on 02476 820043
or e-mail v.jones@lgo.org.uk**

Dear Mr Lycett

Annual Letter 2006/07

I am writing to give you a summary of the complaints about your authority that my office has dealt with over the past year and to draw any lessons learned on your authority's performance and complaint-handling arrangements. I hope you find this letter a useful addition to other information you have on how people experience or perceive your services.

The format of the annual letter is slightly different to last year and is set out as a separate document attached. I would again very much welcome any comments you may have on the form and content of the letter.

We will publish all the annual letters on our website (www.lgo.org.uk) and share them with the Audit Commission, as we did last year. We will again wait for four weeks after this letter before doing so, to give you an opportunity to consider the letter first. If a letter is found to contain any material factual inaccuracy we will reissue it.

I would again be happy to consider requests for myself or a senior colleague to visit the Council to present and discuss the letter with councillors or staff. We will do our best to meet the requests within the limits of the resources available to us.

I am also arranging for a copy of this letter and its attachments to be sent to you electronically so that you can distribute it easily within the council and post it on your website should you decide to do this.

Yours sincerely

J R White
Local Government Ombudsman

Enc : Annual letter

The Oaks No 2 Westwood Way
Westwood Business Park Coventry CV4 8JB
Tel 024 7682 0000 Fax 024 7682 0001
DX 702110 Coventry 6
www.lgo.org.uk



The Commission for
Local Administration in England

**The Local Government Ombudsman's
Annual Letter
Gosport Borough Council
for the year ended
31 March 2007**

The Local Government Ombudsman (LGO) investigates complaints by members of the public who consider that they have been caused injustice through administrative fault by local authorities and certain other bodies. The LGO also uses the findings from investigation work to help authorities provide better public services through initiatives such as special reports, training and annual letters.

Annual Letter 2006/07 - Introduction

The aim of the annual letter is to provide a summary of information on the complaints about your authority that we have received and try to draw any lessons learned about the authority's performance and complaint-handling arrangements. These might then be fed back into service improvement.

I hope that the letter will be a useful addition to other information your authority holds on how people experience or perceive your services.

There are two attachments which form an integral part of this letter: statistical data covering a three year period and a note to help the interpretation of the statistics.

Complaints received

Volume

In 2006-07 we received six complaints against your Council, the same as in the previous year. The number of complaints we receive against your Council remains very low in view of the number of decisions you take on behalf of your citizens each year.

Character

Two of the complaints received last year concerned planning matters whereas we received no planning complaints in 2005-06. However, when dealing with such low numbers, there is no particular pattern that we can see and some fluctuation from one year to the next is normal. Of the remaining complaints, two were about housing and two concerned other matters.

Decisions on complaints

Reports and local settlements

We use the term 'local settlement' to describe the outcome of a complaint where, during the course of our investigation, the Council takes, or agrees to take, some action which we consider is a satisfactory response to the complaint and the investigation does not need to be completed. These form a significant proportion of the complaints we determine. When we complete an investigation we must issue a report. In the last year I had no need to issue any reports against your Council and nor did any complaint require a local settlement.

Of the six complaints received, in three cases my office found no fault by the Council. The other three complaints were not pursued for other reasons.

Your Council's complaints procedure and handling of complaints

In 2006-07 we referred one complaint back to the Council because the Council had not yet had sufficient opportunity to deal with the complaint itself. That complaint was later resubmitted to me but my office found no fault by the Council. Your Council's own complaints procedure seems to be accessible, with the procedure and a complaints form available on the Council's website, which also contains a link to my website and complaints form.

Training in complaint handling

As part of our role to provide advice in good administrative practice, we offer training courses for all levels of local authority staff in complaints handling and investigation. The feedback from courses that have been delivered over the past two and a half years is very positive.

The range of courses is expanding in response to demand. We offer generic courses in Good Complaint Handling (identifying and processing complaints) and Effective Complaint Handling (investigation and resolution). We can run open courses for groups of staff from smaller authorities and also customise courses to meet your Council's specific requirements.

All courses are presented by an experienced investigator so participants benefit from their knowledge and expertise of complaint handling. I have enclosed some information on the full range of courses available together with contact details for enquiries and any further bookings.

Liaison with the Local Government Ombudsman

As you know, we ask councils to respond to our enquiries within 28 days. Last year, we made enquiries on two complaints, one on a planning matter and the other concerning housing. In the former case we received a reply 28 days later. In the latter case the Council took 46 days to reply. I appreciate that some complaints can be complex and this was only one instance but I would welcome any steps the Council could take to improve its response time.

LGO developments

I thought it would be helpful to update you on a project we are implementing to improve the first contact that people have with us as part of our customer focus initiative. We are developing a new Access and Advice Service that will provide a gateway to our services for all complainants and enquirers. It will be mainly telephone-based but will also deal with email, text and letter correspondence. As the project progresses we will keep you informed about developments and expected timescales.

Changes brought about by the Local Government Bill are also expected to impact on the way that we work and again we will keep you informed as relevant.

We have just issued a special report that draws on our experience of dealing with complaints about planning applications for phone masts considered under the prior approval system, which can be highly controversial. We recommend simple measures that councils can adopt to minimise the problems that can occur.

A further special report will be published in July focusing on the difficulties that can be encountered when complaints are received by local authorities about services delivered through a partnership. *Local partnerships and citizen redress* sets out our advice and guidance on how these problems can be overcome by adopting good governance arrangements that include an effective complaints protocol.

Conclusions and general observations

I welcome this opportunity to give you my reflections about the complaints my office has dealt with over the past year. I hope that you find the information and assessment provided useful when seeking improvements to your Council's services.

J R White
Local Government Ombudsman
The Oaks No 2
Westwood Way
Westwood Business Park
Coventry CV4 8JB

June 2007

Enc: Statistical data
Note on interpretation of statistics
Leaflet on training courses (with posted copy only)

Complaints received by subject area	Benefits	Housing	Other	Planning & building control	Total
01/04/2006 - 31/03/2007	0	2	2	2	6
2005 / 2006	1	4	1	0	6
2004 / 2005	1	5	1	4	11

Note: these figures will include complaints that were made prematurely to the Ombudsman and which we referred back to the authority for consideration.

Decisions	MI reps	LS	M reps	NM reps	No mal	Omb disc	Outside jurisdiction	Premature complaints	Total excl premature	Total
01/04/2006 - 31/03/2007	0	0	0	0	3	1	1	1	5	6
2005 / 2006	0	1	0	0	3	1	0	3	5	8
2004 / 2005	0	3	0	0	4	1	2	2	10	12

See attached notes for an explanation of the headings in this table.

Response times	FIRST ENQUIRIES	
	No. of First Enquiries	Avg no. of days to respond
01/04/2006 - 31/03/2007	2	37.0
2005 / 2006	4	27.8
2004 / 2005	5	31.8

Average local authority response times 01/04/2006 to 31/03/2007

Types of authority	<= 28 days %	29 - 35 days %	> = 36 days %
District Councils	48.9	23.4	27.7
Unitary Authorities	30.4	37.0	32.6
Metropolitan Authorities	38.9	41.7	19.4
County Councils	47.1	32.3	20.6
London Boroughs	39.4	33.3	27.3
National Park Authorities	66.7	33.3	0.0

Notes to assist interpretation of the LGO's local authority statistics

1. Local authority report

This information forms an integral part of the Annual Letter to your council. Again this year, the Annual Letter will be published on our website, at www.lgo.org.uk

The detailed information in the printouts is confidential.

2. Complaints received

This information shows the number of complaints received by the LGO, broken down by service area and in total within the periods given. These figures include complaints that are made prematurely to the LGO (see below for more explanation) and that we refer back to the council for consideration. The figures may include some complaints that we have received but where we have not yet contacted the council.

3. Decisions

This information records the number of decisions made by the LGO, broken down by outcome, within the periods given. **This number will not be the same as the number of complaints received**, because some complaints are made in one year and decided in the next. Below we set out a key explaining the outcome categories.

MI reps: where the LGO has concluded an investigation and issued a formal report finding maladministration causing injustice.

LS (local settlements): decisions by letter discontinuing our investigation because action has been agreed by the authority and accepted by the Ombudsman as a satisfactory outcome for the complainant.

M reps: where the LGO has concluded an investigation and issued a formal report finding maladministration but causing no injustice to the complainant.

NM reps: where the LGO has concluded an investigation and issued a formal report finding no maladministration by the council.

No mal: decisions by letter discontinuing an investigation because we have found no, or insufficient, evidence of maladministration.

Omb disc: decisions by letter discontinuing an investigation in which we have exercised the Ombudsman's general discretion not to pursue the complaint. This can be for a variety of reasons, but the most common is that we have found no or insufficient injustice to warrant pursuing the matter further.

Outside jurisdiction: these are cases which were outside the Ombudsman's jurisdiction.

Premature complaints: decisions that the complaint is premature. The LGO does not normally consider a complaint unless a council has first had an opportunity to deal with that complaint itself. So if someone complains to the LGO without having taken the matter up with a council, the LGO will usually refer it to the council as a 'premature complaint' to see if the council can itself resolve the matter.

Total excl premature: all decisions excluding those where we referred the complaint to the council as 'premature'.

4. Response times

These figures record the average time the council takes to respond to our first enquiries on a complaint. We measure this in calendar days from the date we send our letter/fax/email to the date that we receive a substantive response from the council. The council's figures may differ somewhat, since they are likely to be recorded from the date the council receives our letter until the despatch of its response.

5. Average local authority response times 2006/07

This table gives comparative figures for average response times by authorities in England, by type of authority, within three time bands.

6. Categories of complaint

From 1 April 2007 we have amended our complaint category system, and you may notice some changes in the descriptions used in our decision letters and on the printouts attached.

The major change is that we now split social services cases between 'adult care services' and 'children and family services', in order that complaints relating to children and young people can be easily identified.

7. Complaints about personnel matters (employment and pensions)

We receive some complaints from members of council staff about personnel matters. These are usually outside our jurisdiction, and our practice is now to advise you that we have received the complaint without informing you of who made it.

For that reason, any such complaints on the attached printouts will show a blank space for the complainant's name.

AGENDA ITEM NO. 10

Committee:	Standards & Governance Committee
Date of Meeting:	19 July 2007
Title:	Annual Report 2006/07 of the Head of Internal Audit & Risk Assurance
Author:	Head of Internal Audit & Risk Assurance
Status:	For Decision

Purpose

To provide the Members with the Annual Report for 2006/07 from the Head of Internal Audit & Risk Assurance.

Recommendation

That the Standards and Governance Committee note the opinion of the Head of Internal Audit & Risk Assurance.

1 Background

- 1.1 The Accounts and Audit Regulations require the Council to maintain an adequate and effective Internal Audit Service in accordance with proper internal audit practices. The CIPFA Code of practice 2006 (the Code) which sets out proper practice for Internal Audit, requires the Head of Internal Audit & Risk Assurance to provide an annual report to those charged with governance, which should include an opinion on the overall adequacies of the internal control environment.

2 Report

Responsibilities

- 2.1 It is management responsibility to develop and maintain the internal control framework and to ensure compliance. It is responsibility of Internal Audit to form an opinion on the adequacy of the system of internal control.
- 2.2 The role of the internal audit service is to provide management with an objective assessment of whether systems and controls are working properly. It is a key part of the Authority's internal control system because it measures and evaluates the adequacy and effectiveness of other controls so that:
 - The Council can establish the extent to which they can rely on the whole system; and
 - Individual managers can establish how reliable are the systems and controls for which they are responsible.

Opinion on the Council's Internal Control Environment Summary

- 2.3 In my opinion Gosport Borough Council's system of internal control facilitates the effective exercise of the Council's functions. This provides reasonable assurance regarding the effective, efficient and economic exercise of the council's functions.
- 2.4 Our opinion represents a positive outcome for the Council, however, during the course of our work we did identify some key weaknesses where improvements on control are required in order to mitigate risk arising. Areas where key weaknesses are included in Appendix A – Statement on Internal Control 2006/07.
- 2.5 All the control issues are subject to action plans that mitigate the risk and these will be reviewed by Internal Audit over 2007/08.

Anti-Fraud

- 2.6 No significant fraud or irregularities occurred over 2006/07. We continue undertake fraud detection activities and promote anti-fraud awareness across the Council. A member of the Internal Audit team also represents the Council on a Hampshire wide networking group.

Basis of Opinion

- 2.7 The internal Audit Section has an approved Terms of Reference which comply with the Code. These require Internal Audit to objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. External Audit (Mazars) undertakes an assessment of the Council's Internal Audit Section as part of the annual inspection regime.
- 2.8 The Standards & Governance Committee agree the Internal Audit Plan which was developed, in consultation with all Senior Managers, to focus on financial management (statutory work), corporate improvements and processed. There were no constraints placed on the scope of audit work in the year and there were sufficient resources to provide adequate and effective internal audit coverage.
- 2.9 In addition, to our annual opinion, we submitted quarterly reports providing a detailed summary of audit activity that acts as an early warning system to Members of key risks arising within the Council.
- 2.10 In giving our audit opinion, it should be noted that assurance can never be absolute. The most that Internal Audit can provide to senior management and the Boards/Committees is reasonable assurance that there are no major weaknesses in governance and control processes.

The Audit Team

- 2.11 The Internal Audit Section is working towards the CIPFA Code of Practice (Full compliance is a target by 31 March 2008). The team currently consists of 5 full time staff. Of these two are qualified and two are pending results. Private sector support has been used to assist in ICT Audit work.
- 2.12 During the year the team has progressed through a period of change. This has included:
- Developing a more risk focused audit plan;
 - Developing closer relationships with neighbouring Authorities audit teams;
 - Officers have undertaken professional development (CIPFA & PIIA);
 - Expanding the consultancy service offered by the team (procurement, risk management and service efficiency reviews) ;
 - Progressing from “system based audit” to “risk based audit”;
 - Developing a more proactive approach to auditing (awareness training).

3 Risk Assessment

- 3.1 The opinion of Internal Audit provides senior management and Members with reasonable assurance that the internal control environment of the Council is operating efficiently and effectively.

4 Conclusion

- 4.1 That the Council has a sound internal control environment though further improvements require addressing in the short to medium term. The team continues to improve through personal and process developments that support management in delivering their service objectives.

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:	Supports the Council's pursuit of excellence
Risk Assessment:	See Section 3
Background papers:	Nil
Appendix:	<ul style="list-style-type: none"> • Appendix A – Statement of Internal Control 2006/07
Report author/ Lead Officer:	Chris Davis 023 9254 5306

STATEMENT ON INTERNAL CONTROL

2006/07

1. **Scope of Responsibility**

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the council's functions and which includes arrangements for the management of risk.

2. **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at the council for the year ended 31 March 2007 and up to the date of approval of the annual accounts.

3. **The Internal Control Environment**

The system of internal financial control is based on a framework of regular management information, financial regulations, administration procedures, management supervision and a recognised system of delegation and accountability. In particular, the system includes: -

- Regular reviews of monthly and annual financial reports that indicate performance against forecasts;
- comprehensive financial procedures and rules;
- quarterly updates from the Head of Audit to the Standards & Governance Committee;
- a structured approach to the work of Internal Audit and External Audit;
- financial updates to Senior Management Team and Members;
- Setting targets to measure financial and other performance.

The Council has a nominated Section 151 Officer, the Deputy Chief Executive and Borough Treasurer with the Financial Services Manager acting as Deputy.

- The administration of financial affairs of the Council;
- the provision of advice on financial probity and budget issues;
- Compliance with the Accounts and Audit Regulations 2006.

A developed performance management framework is in place and an annual Best Value Performance Plan is produced detailing our performance against established targets.

4. Review of Effectiveness

Following consideration of the residents' views (2001) the Borough Council has adopted a Constitution based on the "alternative arrangements" favoured by its residents. This meets the requirements of the Local Government Act 2000.

The [Constitution](#) sets out how the Borough Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.

Management

Service Unit Managers are responsible for the routine monitoring and review of the internal controls operating within their services. They meet weekly to discuss strategic matters. In addition, they complete an assurance statement for their responsible areas of the Council.

Internal Audit

The responsibility for maintaining and reviewing the system of internal control rests with the Council. In practice, however, the Council is likely to take assurance from the work of Internal Audit. During the year, the work of Internal Audit included fundamental reviews of all the systems of internal financial control as well as other key areas of the Council. The Section used a "risk based" approach to its reviews of the fundamental systems.

The section work closely with the Council's External Auditors to provide a broader coverage and to ensure there is no duplication of valuable resources. In addition, the Council engages specialist IT Auditors to review the IT control environment.

The Council's Boards & Scrutiny Committee

The powers and terms of references of the above are covered under [Part 3 Schedule 9](#) of the Constitution.

The Standards & Governance Committee

In 2006/07 the Audit & Risk Sub-Committee was dissolved and the responsibilities were taken over by the Standards & Governance Committee. This Committee meets regularly throughout the year and receives formal reports from the Head of Internal Audit and Risk Assurance as well as reporting high level internal and external audit recommendations. Minutes and reports are available through the Council's website www.gosport.gov.uk.

External Audit (Mazars)

External Audit add additional assurance to the control environment through inspection of the internal audit coverage to aid their audit of the final accounts.

5. Significant Internal Control Issues

There have been no significant internal financial control issues identified in 2006/07. The following table highlights the progress against the issues raised in last years (2005/06) Statement of Internal Control.

2005/06 Significant Internal Control Issues	Progress in 06/07
Further work on risk management is required to embed the culture into the Council and its processes as laid out in the Audit Commission's Key Lines of Enquiry - Use of Resources test.	Significant progress has been made in risk awareness, management and assessments throughout the Council. An on-line risk register has been developed and will be live in June 2007.
Improve procurement practices within the Council and update its Contract Standing Orders.	Guidance from CIPFA will be tailored to the Council in 2007/08. Procurement practices throughout the Council are still in need of improving.
Develop a framework to support corporate assurance.	Introduced an assurance framework.
There are segregation of duty concerns within creditors and debtors.	Resource restrictions do not allow for this segregation to be achieved
There is need for succession planning to be introduced for key posts within the Council.	Council Management Team has made significant progress in this area.
Provide key staff and Members with financial training.	This has been completed.
Improve financial management information to Members (i.e. write-offs).	Improved management reports are now available (with profiling) from the General Ledger.
The lack of a creditor control account.	A creditor control account has been introduced.
Introduce a more robust process for reconciliation sign off by management.	Processes and resources are now in place to improve management sign off.
There is a lack of quality key financial systems procedural notes.	The development of key financial system procedural notes is ongoing. Good progress has been made through 2006/07.
Develop a code of corporate governance.	Development has been deferred till 2007/08.

The following significant internal control issues have been identified during 2006/2007.

Issue 06/07	Action
Recording of reconciliations performed within Housing Finance.	Introduction of a reconciliation log sheet.
Update the Council's risk management strategy.	Strategy to be updated and approved by Council.
Introduce the risk register at both strategic and operational levels.	Workshops have been arranged and all risks and controls identified.
Introduce an assurance framework for the Council.	Introduced and all Managers to sign a Service specific Assurance Statement for 2006/07.
Update the Council's Anti Fraud and Corruption Policy.	Drafted and will be approved in early 2007/08 by Full Council.

Borough TreasurerDate

Chief ExecutiveDate.....

Chair of P&O BoardDate

AGENDA ITEM NO. 12

Committee:	Standards & Governance Committee
Date of Meeting:	19 July 2007
Title:	Internal Audit Strategic Plan 2007- 2010
Author:	Head of Internal Audit & Risk Assurance
Status:	For Decision

Purpose

To present the three-year strategic internal audit plan for 2007/08 to 2009/10.

Recommendation

That the Standards and Governance Committee approves the adoption of the three-year strategic audit plan (summarised in the table 2.5).

1 Background

- 1.1 The Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 (the CIPFA Code) requires that the Head of Internal Audit should prepare a risk based audit plan, which should take account of the adequacy and outcomes of the organisation's risk management, performance management and other assurance processes. The Code further states that "the plan needs to be flexible to be able to reflect the changing risks and priorities of the organisation".
- 1.2 No deviations in internal audit resources have been built into the projected three-year strategic audit plan. It is based on current staffing levels of 5 full time equivalents and 20 days external support from an ICT Audit provider (currently Bentley Jennison – procured jointly with Eastleigh Borough Council).

2 Report

Risk Assessment Process

- 2.1 As in previous years the number of available audit days has been allocated using a system of risk analysis. In addition, as audits have been completed over 2006/07 a risk assessment (using a 5x5 matrix) has been carried out by the auditor at the completion of the review and this has fed into the risk assessment process.
- 2.2 The plan has also been updated to reflect the changing priorities and emerging risks with new areas for review being identified in the plan.

- 2.3 Over 2007/08 with the on-line risk register developing this will add a further dimension to assist and support in the development of the strategic audit plan. This is planned to be fully populated with all the Council's strategic and operational risks by early September 2007.

Overview of the Strategic Audit Plan

- 2.4 The Head of Internal Audit & Risk Assurance has endeavoured to keep the number of planned audits at a consistent level to previous years to ensure that the opinion on the Council's internal control environment, within the Statement on Internal Control can be based on an adequate knowledge of the council's control environment.
- 2.5 The following tables provide a summary to the key elements of the audit plan presented within this report.

Risk Factor	Planned Days 2007/08	Planned Days 2008/09	Planned Days 2009/10
F1	189	217	217
1	290	264	243
2	132	104	163
3	63	64	68
Management	146	170	124.
Advice	40	29.5	29
Contingency	35	65	65
Total	895	913	909

Service Unit	Planned Days 2007/08	Planned Days 2008/09	Planned Days 2009/10
Corporate	140	118	117
Chief Executive	27	33	43
Development	37	11	37
Environmental	98	62	95
Finance	239	262	269
Housing	108	150	96
Legal & Democratic	8	2	12
Leisure & Cultural	57	41	51
Management	146	169	124
Contingency	35	65	65
Total	895	913	909

Audit Reporting

- 2.6 From the 1 April 2008, Internal Audit will be including an additional section to all Internal Audit reports, which will cover Performance and Risk Management. The purpose of introducing this to the audit process is to ensure that both Performance and Risk Management is further embedded within the Council.
- 2.7 As part of every audit, Internal Audit will review any National and Local Performance Indicators that relate to the service area concerned as well as analysing the services performance against those indicators.
- 2.8 Internal Audit will also review whether the service has identified any operational risks through the on-line register and will analyse whether the service area has effective mitigating controls in place to counter the risks.

3 Risk Assessment

- 3.1 The three year internal audit strategic plan assesses the risks that the Council could face over the medium term. Annual refinement will assist the Internal Audit team in concentrating on the high risk areas to provide management with assurance of a sound internal control environment.

4 Conclusion

- 4.1 This report outlines the proposed audit coverage for the three year period of 2007/08 to 2009/10. The plan has been reviewed as required by the CIPFA Code to take account of changing needs and emerging risks. The plan also contains an element of flexibility, containing a contingency element to accommodate assignments, which could not have been reasonably foreseen at the start of the financial year.

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 Strategic Internal Audit Plan will support and assist all Council Services in pursuit of their overall corporate objectives.
Risk Assessment:	See Section 3
Background papers:	Nil
Appendices/Enclosures:	Nil
Report author/ Lead Officer:	Chris Davis 023 9254 5306