

*Please ask for:*

Chris Wrein

*Direct dial:*

(023) 9254 5288

*Fax:*

(023) 9254 5587

*E-mail:*

chris.wrein@gosport.gov.uk

21 November 2008

## **S U M M O N S**

**MEETING:** Standards and Governance Committee (Extraordinary Meeting)  
**DATE:** 1 December 2008  
**TIME:** 6.00 p.m.  
**PLACE:** Committee Room 1, Town Hall, Gosport  
**Democratic Services contact:** Chris Wrein

LINDA EDWARDS  
BOROUGH SOLICITOR

---

## **MEMBERS OF THE COMMITTEE**

Mr RV Perry (Independent Member) (Chairman)	Mr G Lidgley (Independent Member) (Vice-Chairman)
Councillor Ms Ballard Councillor Burgess Councillor Cully	Councillor Hicks Councillor Langdon Councillor Wright

## **FIRE PRECAUTIONS**

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

**In the event of the fire alarm (single continuous sound) being activated, 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. 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. 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 Thursday, 27 November 2008. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).*

4. 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 Thursday, 27 November 2008).*

5. INTERNAL AUDIT – PROPOSED FORMAL PARTNERSHIP WITH EASTLEIGH BOROUGH COUNCIL FROM APRIL 2009 TILL MARCH 2012

Part II

*To advise the Committee on the proposed formal partnership of Internal Audit and its sharing of resource with Eastleigh Borough Council as from 1 April 2009 till March 2012.*

Contact Officer:  
Chris Davis  
Ext 5306

6. ANY OTHER ITEMS

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

## AGENDA ITEM NO. 5

<b>Committee:</b>	<b>Standards &amp; Governance Committee</b>
<b>Date of Meeting:</b>	<b>1 December 2008</b>
<b>Title:</b>	<b>Internal Audit – proposed formal partnership with Eastleigh Borough Council from April 2009 till March 2012</b>
<b>Author:</b>	<b>Head of Internal Audit &amp; Risk Assurance</b>
<b>Status:</b>	<b>FOR DECISION</b>

### **Purpose**

To advise the Committee on the proposed formal partnership of Internal Audit and its sharing of resource with Eastleigh Borough Council as from 1 April 2009 till March 2012.

### **Recommendation**

That the Standards and Governance Committee agree in principle with the proposed joint internal audit arrangements from April 2009 till March 2012.

## **1 Background**

- 1.1 Foundations over the last seven months have been established to forge a longer term arrangement with Eastleigh Borough Council (EBC) for the joint management of the internal audit services. As Members are aware from updates through the year the internal audit service provision for Gosport has not suffered from jointly working with EBC and with a more formal process in place service delivery will further improve for both Councils. Over the last seven months the Head of Internal Audit has shared his time over the two sites and it is intended to continue this arrangement from April 2009 till March 2012.
- 1.2 Further resource issues will be addressed over time with an established team at Gosport being in place in the new year. The plan for next year reflects the increased management time for the Head of Audit to be shared equally across both sites. There is also a reduction in auditor time to be transferred to Eastleigh as their resource returns from maternity leave.

## **2 Report**

- 2.1 In the last seven months the Gosport team have provided both operational as well as management support to Eastleigh Borough Council. The opportunity is now with both Council's to formalise a longer term partnership arrangement. Both a partnership agreement and memorandum of understanding are being drafted for both Councils to agree and sign up to for the three year term commencing April 2009. These are modelled on existing documents from the Building Control partnership with Fareham Borough Council. It is my intention to bring the draft of these two documents for approval to the next Committee meeting in January 2009.

- 2.2 In addition, the full financial analysis for next year, for internal audit, will be prepared for this meeting as well a detailed plan linking to the audit coverage for 2009/10. Meetings with all Service Unit Managers are timetabled for early January 2009 to assist in developing the following years audit plan.
- 2.3 Stronger governance arrangements will be in place from next year similar to the Building Control arrangement with Fareham Borough Council. A Member/Officer group comprising Leaders of each Council, Chairs of the respective "Audit Committees", Chief Financial Officers and the Head of Internal Audit is proposed to meet twice a year to take a strategic overview of the arrangement. Measures will be in place for them to monitor the progress of the partnership. These will be set out in the draft memorandum of understanding which will be brought before a future meeting of the Committee.
- 2.4 Our External Auditors are fully aware of the arrangement and are in support of the proposal.
- 2.5 All staff at both sites and Unison have been consulted in this longer term arrangement. Both are fully supportive of the longer term proposal.
- 2.6 **Other tangible benefits will be:**
- Increased sharing of information sources;
  - more cost effective training – could be procured jointly; cascaded to the Group;
  - sharing of best practice;
  - avoiding duplication of effort, especially when interpreting new initiatives/changing standards.

### **3 Risk Assessment**

- 3.1 A full partnership risk assessment has been established at both sites. These are fully documented and detailed on each respective risk registers.

### **4 Conclusion**

- 4.1 This opportunity is exciting and will be viewed by many different audiences over the next 12 months. The concept of joint internal audit arrangements is not a new initiative. Furthermore, it will provide an income stream to support future pressures on the Council finances.

<b>Financial Services comments:</b>	Nil
<b>Legal Services comments:</b>	Nil.
<b>Service Improvement Plan implications:</b>	The formal partnership will improve the internal audit service in the long term and ensure that the Council achieves greater value for money from existing internal resources.
<b>Corporate Plan:</b>	It will support the Council's strategic priority "pursuit of excellence".
<b>Risk Assessment:</b>	Covered in Section 3
<b>Background papers:</b>	Nil
<b>Appendices:</b>	None
<b>Report author/ Lead Officer:</b>	Chris Davis 023 9254 5306