

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