

**A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE  
WAS HELD ON 15 SEPTEMBER 2011**

Councillors Chegwyn, Forder (P), Jessop, Philpott (P), Scard (P) and Wright (P).

Independent Member: Mr R V Perry (P) (Chairman) and Mr G A Lidgey..

It was noted that, in accordance with Standing Orders, Councillors Hook and Hylands had been nominated to replace respectively Councillors Jessop and Chegwyn for this meeting.

**17. APOLOGIES FOR NON ATTENDENCE**

Apologies for inability to attend the meeting were submitted on behalf of Councillors Chegwyn and Jessop.

**18. DECLARATIONS OF INTEREST**

Councillor Hook declared a Personal interest in agenda item 7 (Annual Governance Report).

**19. MINUTES**

RESOLVED: That the Minutes of the meeting of the Standards and Governance Committee held on 23 June 2011 be approved and signed by the Chairman as a true and correct record.

**20. DEPUTATIONS**

There were no deputations.

**21. PUBLIC QUESTIONS**

There were no public questions.

**PART II**

**22. ANNUAL AUDIT LETTER**

The Committee welcomed Ms Rose Coates and Mr Patrick Jarvis, from the Audit Commission, to the meeting.

The Committee had before it a copy of a letter dated 17 August 2011 from Mr Jarvis clarifying the Audit Fees for 2010/11 and 2011/12 as promised at the last meeting in June 2011. A further letter from Mr Jarvis dated 9 September 2011 was tabled at the meeting. In this letter Mr Jarvis apologised for the incorrect information given at the Committee meeting and wished to summarise the fees for 2010/11 and 2011/12 as follows:

2010/11 2011/12

Planned Audit Fee £122,500 £116,375

Rebates (£8,359) (£9,310)  
Net Fee £114,141 £107,065

The letter indicated that the final audit fee must reflect the extent of work undertaken and Mr Jarvis anticipated an additional fee of £7,000 in 2010/11 due to additional audit testing carried out. He understood that in its current consultation for 2012/13 the Audit Commission was proposing a further reduction of 10% in fees.

A number of members expressed their concern at the varied base line figures being quoted for Planned Audit Fees. Particular concern was raised at the original 2010/11 Audit Commission Scale Fee of £111, 446 which had been raised to £116,375 for 2011/12. The Chief Executive or Borough Treasurer was requested to write to the Audit Commission expressing this concern and asking for clarification of such differences in Planned Audit Fees. This proposition was agreed by the Committee with a report coming back to the Committee following the Audit Commission's response.

The Chairman raised the issue of the separate consultation document from the Audit Commission for the Planned Audit Fees for 2012/13. The Borough Treasurer confirmed that a 10% discount was being recommended on the Planned Audit Fee and the response date for this consultation was late October. It was agreed that the Borough Treasurer should respond to this consultation exercise separately.

RESOLVED: That:

- (i) the letters from the Audit Commission clarifying the Audit Fees for 2010/11 and 2011/12 be received;
- (ii) the Chief Executive or Borough Treasurer write to the Audit Commission on the above agreed lines and a report be brought back to the Committee following the Audit Commission's response; and
- (iii) the Borough Treasurer be requested to respond separately to the 2012/13 consultation on the Planned Audit Fees by the late October deadline.

## **23. ANNUAL GOVERNANCE REPORT**

**NOTE: Councillor Hook declared a personal interest in this matter and remained in the meeting room.**

Consideration was given to a covering report of the Audit Commission on the Annual Governance Report 2010/11. The Committee had before it the Annual Governance Report and the Draft Statement of Accounts for 2010/11 that had been publicly available since the end of June and which is the subject of the Annual Governance Report.

The Annual Governance Report summarised the findings from the 2010/11 audit which is substantially complete. The Report included matters of governance interest that had come to

the District Auditor's attention in performing the audit. It included the messages arising from the District Auditor's audit of the council's financial statements and the results of the work he had undertaken to assess the council's arrangements to secure value for money in the council's use of resources. The Report was issued in draft as the District Auditor is required to reflect the council's comments in the final version of the report; as well as the letter of management representation, which would be signed as close as possible to the audit opinion date.

Under his covering report's heading 'Audit opinion and financial statements' the District Auditor advised that the council had dealt successfully with the challenges posed by the implementation of International Financial Reporting Standards (IFRS) 2010/11. A number of amendments were required to meet the more onerous IFRS disclosure requirements and necessary adjustments to expenditure (Appendix 2 of the Report).

Under the heading 'Value for money' the District Auditor stated that he intended to issue an unqualified value for money conclusion which would state that the council had proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

The District Auditor requested the Committee to note that additional audit fees in the sum of £7,000 would be required to cover additional audit work over the completeness of expenditure in the accounts. In total 19 recommendations had been made in the Annual Governance Report. All had been accepted by management in the agreed Action Plan (Appendix 6 of the Report).

**RESOLVED:** That the Committee in approving the Annual Governance Report:

- (i) notes the adjustments to the financial statements which are set out in Appendix 2,
- (ii) agrees to the Borough Treasurer signing the letter of representation on behalf of the council in the next two weeks,
- (iii) agrees the proposed Action Plan detailed in Appendix 6, and
- (iv) agrees the additional audit fees in the sum of £7,000 as detailed above.

## **24. LOCAL GOVERNMENT OMBUDSMAN: ANNUAL REVIEW 2010/11**

Consideration was given to the Borough Solicitor's report on the above matter.

The Ombudsman's Advice Team had received fourteen complaints and enquiries during 2010/11. Of these, seven were concerned with Benefits and Tax; one with Environmental Services; one with Highways; two with Housing Services; two with Planning Services and one complaint addressed another issue. During this period decisions were made on 9 cases, four complaints were dismissed due to no maladministration and two were outside the jurisdiction of the Ombudsman. The Ombudsman's discretion was used not to investigate three cases.

RESOLVED: That the report be noted.

## **25. COMPLAINTS PROCEDURES AND ANALYSIS**

Consideration was given to a report of the Community and Customer Services Manager on the monitoring of formal complaints received during the 2010/11 financial year and a review of the current complaints procedures.

An analysis of Stage 1, 2 and 3 formal complaints across the responding Service Unit Managers was shown in Appendix B to the report. There were 9 complaints which had been dealt with formally within the procedures. Overall, this was a significant decrease on the 2009/10 figure of 22 complaints. Of the 9 complaints, 2 progressed to Stage 2 and 2 to Stage 3, although 1 of these had not yet been requested by the complainant to progress to a Members' Panel. To improve the performance in responding to formal complaints, monitoring was being undertaken within the Community & Customer Services Unit and the Customer Services Officer would be coordinating all action and responses to the council.

An analysis of the subject of complaints received during 2010/11 was detailed in Appendix C to the report. It was not considered that there was any particular trend which would give cause for concern and the overall number of complaints was encouragingly low, averaging at less than 1 a month. The most common types of complaint related to housing, allotments and environmental matters. No complaints were received in respect of equality or diversity issues.

There had been concern expressed over the overall length of the complaints process. This was largely influenced by the time taken between the end of one stage and the complainant deciding to submit their request to progress to the next stage of the process. However, this part of the process was being reviewed further to implement a much speedier response to all complaints.

RESOLVED: That the report be received.

## **26. INTERNAL AUDIT MONITORING STATEMENT FOR THE PERIOD 1 APRIL 2011 TO 30 JUNE 2011**

The Committee considered a report of the Head of Internal Audit & Risk Assurance which tabled the performance of the Internal Audit Section in the first quarter of 2011/12 against the agreed audit plan. The report also provided members with an update on other key business within the same period.

RESOLVED: That the report of the Head of Internal Audit & Risk Assurance be received.

## **27. STANDARDS AND GOVERNANCE COMMITTEE WORKPLAN**

Consideration was given to the Workplan of the Standards and Governance Committee.

RESOLVED: That the Workplan be noted.

**28. ANY OTHER ITEMS**

The Chairman reported that the other Independent Member, Mr G A Lidgey, had resigned from his position on the Committee.

RESOLVED: That a letter of appreciation be sent to Mr Lidgey on behalf of the Committee thanking him for the work he had undertaken.

The meeting commenced at 6.00pm and concluded at 6.58pm.

CHAIRMAN