

**A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE  
WAS HELD ON 10 SEPTEMBER 2009**

Councillors Burgess (P), Cully (P), Forder (P), Gill (P), Kimber (P) and Wright (P).

Independent Members: Mr R V Perry (P) and Mr G Lidgley (P).

**12. APOLOGIES**

There were no apologies for inability to attend the meeting.

**13. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**14. MINUTES**

RESOLVED: That the Minutes of the meeting of the Standards and Governance Committee held on 21 July 2009 be approved and signed by the Chairman as a true and correct record.

**15. DEPUTATIONS**

There were no deputations.

**16. PUBLIC QUESTIONS**

There were no public questions.

**PART II**

**17. STANDARDS AND GOVERNANCE COMMITTEE WORKPLAN**

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

Members raised the issue of the Member/Officer Protocol and were advised that this explained fundamentally how the relationship between Members and Officers should work. A copy of the Protocol was included within the Council's Constitution. It was felt that it would be worthwhile to bring this document to the attention of Members.

Members raised the issue of fraud and corruption and were advised that the Gosport Borough Council strategy provided guidance on how detected instances of fraud and corruption within the Council would be dealt with. The procedure to be followed for any identified potential instances of fraud and corruption was explained.

Members were advised that any detected fraud or corruption would be included in the Internal Audit annual report. Members felt that it would be useful to include in the report any

investigations that had taken place, including those where no evidence of fraud or corruption had been found.

It was noted that there had been no instances of fraud or corruption during 2008/2009 and that the profile of whistle blowing was being raised.

RESOLVED: That the work plan be noted.

## **18. REPORT TO THOSE CHARGED WITH GOVERNANCE 2008/09**

The external auditor's report was introduced by Mr Michael Attenborough-Cox of Mazars who explained that this set the scene for the work Mazars had carried out on the Council's accounts and use of resources.

Mr Attenborough-Cox advised that he would be issuing a clean opinion and signing off the Council's accounts on 30 September 2009 unless any relevant matters emerged in the meantime.

Mr Attenborough-Cox drew attention to an uncorrected mis-statement that required rectification by way of a straightforward balance sheet alteration. The correction would involve a significant number of transactions and officers had expressed the view that, due to the restricted time available, it would be preferable to make the alteration during the financial year 2009/2010. This was queried by Members and officers advised that it had only come to light within the last few days. If the mis-statement were not to be corrected during the current financial year, the Borough Treasurer would, as required, provide the reason for this course of action.

A further mis-statement had been identified which was above the materiality level. This mis-statement had been corrected.

Mr Attenborough-Cox advised that no material weaknesses had been identified regarding internal control and that there were no matters to be raised regarding other auditing standards or governance.

Members drew attention to paragraph 3.3.9 of the report which referred to a small number of areas where there was scope for improvement in procedures and controls. Members were advised that recommendations for improvements would be produced and that areas of concern where management had not responded would be picked up in the Annual Audit letter which was to be discussed at the next meeting of the Standards and Governance Committee.

Mr Attenborough-Cox spoke to the Committee regarding the use of resources judgement. He explained that the judgement was arrived at by the use of Key Lines of Enquiry specified by the Audit Commission in the Management of Finances, Governance of Business and Management of Resources. The Council had achieved a draft score of 2 which was the minimum requirement and indicated that proper procedures were in place.

Mr Attenborough-Cox advised that he would be issuing an opinion on 30 September 2009 that the Council was achieving value for money and no action was required.

Members drew attention to paragraph 4.2.11 of the report which referred to the lack of Member involvement in the management of CCTV Control Centre Partnership and were advised that, as considerable resources were provided by both Gosport and Fareham Borough Councils, it was important that Members were involved. It was suggested that the Chairman of the relevant Board should be the Member to be involved.

Members drew attention to the statement in the report that the relationship between Members and officers had suffered during the year due to lack of overall political control, with infighting between the political parties and several complaints raised with the Standards Board. Members felt that this was a bland statement and did not accurately portray the situation.

It was felt that the lack of uptake of training opportunities by Members was unfortunate and needed to be addressed. The development of the Member Induction process was being addressed.

With regard to the Council's overall score of 2 for use of resources, Members were advised that this was a satisfactory achievement. High priority had to be given to eliminating any potential scores of 1 at individual Key Line of Enquiry level, whereas potential scores of 3 would be local priorities where scarce resources may be used. There were some areas where the Council could improve to a score of 3 but the preference was to focus resources on frontline services. Value for money areas were also important. It was anticipated that a new financial management system would be introduced next year which would help the Council to manage more efficiently.

Members were advised that the Council currently operated with relatively small teams which made it difficult to identify savings. The introduction of larger, merged teams was being investigated which may lead to savings in the future.

Members were advised that the Council performed well in the development of individual officers. However, there should be a review of roles and responsibilities to ascertain whether the current structure was appropriate.

With regard to the uncorrected mis-statement, referred to above, Members were satisfied that the correction should be made during the Financial Year 2009/2010.

Mazars were thanked for the work they had carried out with the Council and were advised that feedback from staff in their dealings with them had been positive.

RESOLVED: That:

- a) the report of the external auditors (Mazars) to those charged with governance for

2008/09 be noted;

- b) the uncorrected mis-statement identified in the report be corrected during the financial year 2009/10; and
- c) the Letter of Representation for the 2008/2009 audit be approved, subject to b) above, for signing by the Deputy Chief Executive and Borough Treasurer.

The meeting commenced at 6.00pm and concluded at 7.08 p.m.

CHAIRMAN