

**A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE  
WAS HELD ON 16 SEPTEMBER 2010**

Councillors Burgess (P), Chegwyn, Forder, Kimber, Scard (P) and Wright.

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

It was reported that, in accordance with Standing Orders, Councillors Mrs Searle and Langdon had been nominated to replace Councillors Wright and Kimber respectively for this meeting.

**13. APOLOGIES**

Apologies for inability to attend the meeting were submitted on behalf of Councillors Forder, Kimber and Wright.

**14. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**15. MINUTES**

RESOLVED: That the Minutes of the meeting of the Standards and Governance Committee held on 15 July 2010 be approved and signed by the Chairman as a true and correct record.

**16. DEPUTATIONS**

There were no deputations.

**17. PUBLIC QUESTIONS**

There were no public questions.

**PART II**

**18. REPORT TO THOSE CHARGED WITH GOVERNANCE**

Consideration was given to a report by the Audit Commission (a copy of which is attached to these minutes as Appendix A) which summarised the findings from the 2009/10 audit which was substantially complete. It included the messages arising from the audit of the Council's financial statements and the results of the work undertaken to assess the arrangements to secure value for money in the Council's use of resources.

The Audit Commission was represented at the meeting by Mr Mark Catlow.

Mr Catlow explained that the primary purpose was to report before the publication of the Council's annual accounts and this was the first stage of presenting key messages. A presentation was made by Mr Catlow (a copy of which is attached to these minutes as Appendix B).

With regard to material weaknesses in internal control, Mr Catlow advised that there was scope to improve journal controls although it was stressed that no inappropriate journal entries had been found. This had been taken on board by officers.

The Annual Governance Statement did not disclose journal control weaknesses and, consequently, the Borough Treasurer undertook to insert a sentence in the Annual Governance Statement which would read: *"A weakness in journal authorisation was identified in 2009/10. This has been addressed with new monitoring procedure alongside the introduction of a new financial suite during 2010/11."*

Mr Catlow reported that additional information regarding best value on disposals had been requested. Officers had provided this information and it was being looked at by the Audit Commission.

With regard to grant recognition, a request had been made for officers to change the way in which money was rolled forward in reserves. Officers had agreed to this.

With regard to financial instruments disclosure, figures did not include debtors and creditors.

Mr Catlow concluded that the Council's financial arrangements were adequate and effective. The Council produced good quality accounts, the staff were helpful, correct standards of professional practice were met and responsibilities were properly discharged.

No problems had been identified regarding the Letter of Representation.

RESOLVED: That:

- a) the report of the Audit Commission to those charged with governance for 2009/10 be noted;
- b) the Letter of Representation for the 2009/2010 audit be approved for signing by the Deputy Chief Executive and Borough Treasurer.

**19. INTERNAL AUDIT - MONITORING STATEMENT FOR QUARTER ONE 2010/11 (APRIL 2010 TO JUNE 2010)**

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which tabled the performance of the Internal Audit Section in the first three months of 2010/11 (1<sup>st</sup> April 2010 – 30<sup>th</sup> June 2010) against the agreed audit plan to the Members with responsibility for governance and provided Members with an update on other key internal audit business within that same period.

Members acknowledged that the partnership arrangement with Eastleigh Borough Council was working well with benefits to both organisations.

The Chairman thanked staff for the work they had undertaken.

RESOLVED: That:

- a) the report on performance of Internal Audit from April 2010 to June 2010 be accepted and noted; and
- b) the Head of Internal Audit's other key business be noted.

## **20. UPDATE ON CONTRACT PROCEDURE RULES**

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which provided a summary of significant variations to the revised Contract Procedure Rules (formerly known as Contract Standing Orders) agreed at Council on the 14<sup>th</sup> July 2010. The background as to why the rules were amended was included in the report.

RESOLVED: That the significant variations to the revised Contract Procedure Rules be noted.

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

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

It was agreed that the items relating to Member/Officer Protocol and the Fraud & Corruption Strategy be put back to January 2011.

With regard to Connaught, the Council's housing repairs contractor, Members were advised that arrangements had been made for the service to continue with a contractor who was taking over some of Connaught's work. It was confirmed that contracts such as this were normally long-term and proper financial checks were carried out before any contract was let.

RESOLVED: That the Standards and Governance Committee Workplan be noted subject to the items relating to Member/Officer Protocol and the Fraud & Corruption Strategy being put back to January 2011.

The meeting commenced at 6.00pm and concluded at 6.27 p.m.

CHAIRMAN