

**A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE
WAS HELD ON 15 JULY 2010**

Councillors Burgess (P), Chegwyn (P), Forder (P), Kimber (P) 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, Councillor Mrs Searle had been nominated to replace Councillor Wright for this meeting.

1. ELECTION OF CHAIRMAN

RESOLVED: That Mr R Perry be appointed Chairman of the Committee for the Municipal Year 2010/11.

2. ELECTION OF VICE-CHAIRMAN

RESOLVED: That Mr G Lidgey be appointed Vice-Chairman of the Committee for the Municipal Year 2010/11.

3. APOLOGIES

An apology for inability to attend the meeting was submitted on behalf of Councillor Wright.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. MINUTES

RESOLVED: That the Minutes of the meeting of the Standards and Governance Committee held on 22 April 2010 be approved and signed by the Chairman as a true and correct record.

6. DEPUTATIONS

There were no deputations.

7. PUBLIC QUESTIONS

There were no public questions.

PART II

8. AUDIT OPINION PLAN

Consideration was given to a report of the Audit Commission which contained a plan which

set out the audit work it is proposed to undertake for the audit of the Council's 2009/10 financial statements. The plan was based on the Audit Commission's risk-based approach to audit planning. It reflected:

- audit work specified by the Audit Commission for 2009/10;
- current national risks relevant to local circumstances; and
- local risks.

The Audit Commission was represented by Mr Mark Catlow who advised that the plan provided an opportunity to present a position statement prior to the audit and included an update together with key issues and the timetable.

The indicative fee for the audit would be £105,741 as indicated in a letter from Mr Catlow dated 8 April 2010.

Mr Catlow drew attention to national changes in accounting requirements and the potential accounting impact of local service developments. Areas presenting challenges to Councils had been identified by the Chartered Institute of Public Finance and Accountancy.

Investigations would be carried out into the financial resilience of the Housing Revenue Account and extra testing would be undertaken with respect to journals.

Mr Catlow advised Members of the key milestones and deadlines which indicated how the audit was expected to progress. A Letter of Representation would be prepared for signature by the appropriate Council officer.

With regard to the Annual Governance Statement, Members expressed a preference for a full written report supported by a presentation at the Standards and Governance Committee meeting on 16 September 2010.

In answer to a Member's question, Mr Catlow advised that part of the external audit role was to ensure appropriate governance arrangements for Councillors but this did not cover Councillors' conduct.

Mr Catlow advised that he had had the opportunity to comment on the contract for the new ferry pontoon although, as it had been signed during the current financial year, it would not be subject to district audit until the next financial year.

RESOLVED: That the Audit Opinion Plan be noted.

9. COMPLAINTS PROCEDURES AND ANALYSIS

Consideration was given to a report of the Chief Executive which requested Members to consider the contents of the report, provide feedback as appropriate to the Council Management Team on the management of the formal complaints received in 2009/10, together with any changes to the current procedures it wished to be considered.

Members were advised that the system had been investigated in detail and changes had been made. Concerns raised regarding the time taken to deal with complaints where more than one unit was involved had now been resolved and documentation was being reviewed.

It was noted that the majority of the 2009/10 complainants surveyed were satisfied with the way their complaints had been dealt with.

RESOLVED: That the report of the Chief Executive be noted and accepted.

10. INTERNAL AUDIT ANNUAL REPORT 2009/10

Consideration was given to a report of the Head of Internal Audit & Risk Assurance which advised Members that, in accordance with the National Code of Practice on Internal Audit, the Head of Internal Audit was required to present an annual report to the appropriate body responsible for the Internal Audit function. Members were requested to note the contents of the report and make any observations and/or recommendations to the Council on any issue that they felt should be drawn to its attention.

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

11. USE OF RESOURCES 2010/11 UPDATE & ACTION PLAN

Consideration was given to a report of the Borough Treasurer which updated the Committee regarding the latest inspection requirements and sought the Committee's approval of an ongoing programme of improvements. The Committee was requested to note the report and approve the planned improvements arising from the change in approach regarding external audit and inspection.

Members were advised that Comprehensive Area Assessments and the associated inspection regime had now been abandoned by the new Government. Future work by the Council's external auditors was likely to focus on traditional financial considerations and Value for Money. In view of this, future improvement work would concentrate the Council's limited resources on areas considered to be local priorities. The resources were in place to deliver the improvements within the timescale.

Mr Catlow advised that the Audit Commission had consulted nationally on a proposed new regime. Public consultation was planned for late July/early August and Local Authorities would have the opportunity to comment. It was likely that any new regime would involve less work for external auditors and councils which would result in a reduction in external audit fees. It was also possible that the new regime would not be score based. Key documents would be issued shortly and Mr Catlow advised that he would be in a position to speak further to the Committee at its meeting in September 2010.

RESOLVED: That

- a) the report of the Borough Treasurer be noted; and
- b) the planned improvements arising from the change in approach regarding external audit and inspection be approved.

12. STANDARDS AND GOVERNANCE COMMITTEE WORKPLAN

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

The Chairman raised the subject of changes to contract standing orders. Officers advised that these had been standardised in accordance with a new national model which included best practice and European Union requirements. It was decided that this should be discussed at the next meeting of the Committee.

The Chairman drew attention to the abolition of the Standards Board for England which emphasised the importance of the Standards and Governance Committee and its continuation and suggested that the Committee should consider any new legislation on this matter.

Councillor Chegwyn advised that the Government was still considering which body would succeed the Standards Board for England. He drew attention to a decision of the Adjudication Panel for England and suggested that the Chairman should read it.

Members were informed that Member Development was being looked into by the Overview and Scrutiny Committee and it was agreed that a report should be made to the Standards and Governance Committee at its meeting on 20 January 2011.

Members were advised that financial regulations were due to be re-examined and it was agreed that a report be brought to the Committee during the last quarter of the current Financial Year.

Members also agreed that reports on the High Risk Register and the Governance Improvement Action Plan be brought to the Committee on 28 October 2010 and 20 January 2011 respectively.

RESOLVED: That the following areas be added to the Workplan of the Standards and Governance Committee:

- a) Contract Standing Orders (16 September 2010);
- b) Report on changes to or replacement of the Standards Board for England (when legislation is announced);
- c) Member Development (20 January 2011);

- d) Review of Financial Regulations (20 January 2011);
- e) High Risk Register (28 October 2010); and
- f) Governance Improvement Action Plan (20 January 2011).

The meeting commenced at 6.00pm and concluded at 6.40 p.m.

CHAIRMAN