

**A MEETING OF THE STANDARDS AND GOVERNANCE COMMITTEE
WAS HELD ON 23 JUNE 2011**

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

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

1. ELECTION OF CHAIRMAN FOR THE MUNICIPAL YEAR 2011/12

RESOLVED: That Mr R V Perry be appointed Chairman of the Committee for the Municipal Year 2011/12.

2. ELECTION OF VICE – CHAIRMAN FOR THE MUNICIPAL YEAR 2011/12

RESOLVED: That Mr G A Lidgey be appointed Vice-Chairman of the Committee for the Municipal Year 2011/12.

3. APOLOGIES FOR NON ATTENDANCE

There were no apologies for non attendance.

4. DECLARATIONS OF INTEREST

Mr Lidgey declared a personal interest in agenda item 12, Annual Governance Statement 2010/11.

5. MINUTES

RESOLVED: That the Minutes of the meeting of the Standards and Governance Committee held on 17th March 2011 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 I

8. UPDATED ANTI FRAUD AND CORRUPTION POLICY

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which sought to update Members on the updated legislation regarding Anti Fraud and Corruption.

Members questioned whether the statement 'confidential' on appendix 2 should read 'confidential when complete'. The Head of Internal Audit and Risk Assurance confirmed that the statement would be changed.

A Councillor questioned whether consultants were covered in the anti fraud and corruption policies. The Head of Internal Audit and Risk Assurance advised the Committee that all members of staff, Councillors and consultants were covered by the policies outlined in his report.

A Councillor asked whether consultants were invited to attend the workshops arranged to ensure that all members of staff were aware of the new policies. The Head of Internal Audit and Risk Assurance assured the Committee that the Council engaged with all consultants regarding anti fraud and corruption policies and that contractors and appointed consultants would be invited to these workshops.

The Committee discussed how false allegations would be dealt with. Officers informed the Committee that each case would be dealt with individually and that action taken would be dependent on the specifics of the case. The Head of Internal Audit and Risk Assurance advised the Committee that there were a number of telephone numbers that whistleblowers could use, one of them based in the Town Hall and the remaining two were third parties, and these would be included.

Councillors questioned whether any staff had ever been prosecuted for fraud. Officers could not recall any instances of this.

RECOMMENDED: That Council adopt the amended Anti Fraud and Corruption Policy (Appendix 1), including the following associated policies:

- Anti Money Laundering Policy (Appendix 2)
- Anti Bribery Policy (Appendix 3)
- Whistleblowing Policy (Appendix 4)

9. AMENDED FINANCIAL PROCEDURE RULES

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which sought to update the Council's financial procedure rules in line with updated legislation.

Councillors questioned why the increase of the debt write off limit was proposed. Officers advised the Committee that this was proposed so that more work could be done under officer delegated powers, instead of bringing each case to the Board. The Committee was advised that debt were only written off if the debt could not be recovered. Debts were still kept on the books and reviewed periodically, so that if circumstances changed, steps could be taken to recover the debt.

RECOMMENDED: That Council adopt the amended Financial Procedure Rules (Appendix 1) as part of the Council's Constitution (Part 4 – Schedule 16).

PART II

10. AUDIT COMMISSION'S AUDIT PLAN

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

Consideration was given to a report of the Audit Commission which set out the audit work proposed for the Council's 2010/11 financial statements.

Ms Coates outlined the risks determined for this audit, especially the first time implementation of the International Financial Reporting Standards (IFRS) and the introduction of new financial systems at the Council.

Councillors questioned the calculations behind the audit fee and rebate fee for 2010/11. Mr Jarvis confirmed that he would write to the Chairman outlining how the fee was calculated. Councillors agreed that the letter would be presented at the next Standards and Governance Committee meeting.

A Councillor asked whether the assumptions made in setting the fee had been met? Officers advised the Committee that they had been and that Officers always strove to provide all information required.

Councillors queried whether the IFRS had caused many problems at other Councils in the local area. Officers informed the Committee that all Hampshire Authorities were having to deal with the new system and as such they were encountering issues and this was considered a risk for all Councils.

A Councillor asked whether the use of external consultants was subject to the Audit Commission's audit. Mr Jarvis confirmed that as standard they were not. However if the Audit Commission were to receive information to suggest that they should be, they would consider it an area to audit.

Ms Coates advised the Committee that the Audit Commission had set out an action plan regarding information technology, in order to deal with a number of issues raised in the audit.

RESOLVED: That the Audit Commission's Audit Plan for 2010/11 be noted and that the letter to be received from the Audit Commission in due course detailing the calculations of the fee for 2010/11, be presented at the next Standards and Governance Committee meeting.

11. AUDIT COMMISSION'S AUDIT FEE 2011/12

Consideration was given to a report of the Audit Commission which informed the Committee of the proposed audit work and fees for 2011/12.

Councillors questioned the calculations behind the audit fee for 2011/12. Mr Jarvis confirmed that he would write to the Chairman explaining how the fee was calculated. Councillors agreed that this would be presented at the next Standards and Governance Committee meeting.

RESOLVED: That the Audit Commission's Audit Fee for 2011/12 be noted and that the letter to be received from the Audit Commission in due course detailing the calculations of the fee for 2011/12 be presented at the next Standards and Governance Committee meeting.

12. ANNUAL GOVERNANCE STATEMENT 2010/11

Note: Mr Lidgley declared a personal interest in this item and remained in the meeting room.

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which sought to inform the Committee of the Annual Governance Statement that would be presented to the Policy and Organisation Board in conjunction with the Council's Annual Accounts for 2010/11.

RESOLVED: That the Annual Governance Statement be approved for inclusion in the Statement of Accounts 2010/11.

13. INTERNAL AUDIT ANNUAL REPORT 2010/11

Consideration was given to a report of the Head of Internal Audit and Risk Assurance which introduced the Internal Audit Annual Report for 2010/11.

Councillors noted that Internal Audit had advised that they were satisfied that sufficient internal audit work had been undertaken in 2010/11.

The Committee discussed the consultation on the future of Local Public Audit. Officers advised the Committee that the Council was well set up for this and already satisfied a number of requirements, such as the chair of any audit committees being independent of the local authority.

RESOLVED: That the Internal Audit Annual Report for 2010/11 be noted.

14. TRANSPARENCY – PUBLICATION OF ADDITIONAL DATA REGARDING MEMBER INTERESTS, ATTENDANCE ETC

Consideration was given to a report of the Chief Executive which provided a cost breakdown of the work required to be included on the GBC website i.e. the member information that HCC currently displays on its website (Councillor attendance at meetings, claims and recorded interests).

Councillors agreed that transparency was important and that the public had a right to access information regarding Members. There was also a need to educate the public on the role of Councillors and the Council in general.

Members discussed possible data options for the Council's Website.

The Committee discussed the recording of public meetings, including the problems associated with such recordings. Officers noted that any recording of public meetings needed the express permission of the Chief Executive.

Councillors agreed to recommend the report to Policy and Organisation Board for final consideration; Officers being requested to submit examples of what other local authorities present on their websites to the Policy and Organisation Board meeting.

RESOLVED: That:

(i) the report be noted and recommended to the Policy and Organisation Board for consideration; and

(ii) Officers be requested to submit examples of what other local authorities present on their websites to the Policy and Organisation Board meeting.

15. STANDARDS AND GOVERNANCE COMMITTEE WORKPLAN

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

RESOLVED: That the Workplan be noted.

16. ANY OTHER ITEMS

There was no other business.

The meeting commenced at 6.00pm and concluded at 7.35pm.

CHAIRMAN