

AUDIT AND GOVERNANCE COMMITTEE

Thursday, 2 March 2023

Attendance:

Councillors
Cutler (Chairperson)

Craske
Achwal
Bolton

Laming
Miller

Apologies for Absence:

Councillors Batho and Godfrey

Deputy Members:

Councillor Cunningham and Westwood

Members in attendance who spoke at the meeting

Councillors Becker (Cabinet Member for Inclusion & Engagement) and Power (Cabinet Member for Finance & Value)

Other members in attendance:

Councillor Clear

[Video recording of this meeting](#)

1. **APOLOGIES**

Apologies were received as noted above.

2. **DISCLOSURE OF INTERESTS**

Councillor Craske declared a personal (but not prejudicial) interest with regards to his employment with KPMG, who provided audit services to the Council.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

Councillor Cutler announced that he had signed the 2021/22 accounts on 27 February 2023 and the council had received an unqualified opinion sign off from the external auditor on 1 March 2023. He congratulated officers for being the first local authority within Hampshire to have their 2021/22 accounts formally signed off.

4. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the previous meeting held on 30 January 2023 be approved and adopted.

5. **PUBLIC PARTICIPATION**

At the invitation of the Chairperson, Councillor Bronk addressed the meeting at this point with comments relating to report AG096. His comments are summarised briefly below.

He emphasised that as the subject of an ongoing code of conduct complaint his comments only related to his experience of the process, rather than the nature of the specific complaint. He had experienced delays of over a year in dealing with the complaint and suggested that the committee should investigate the reasons for this delay in order to ensure similar delays did not occur in the future. He highlighted the impact of the delay on him personally and also on his ability to carry out his duties as a ward councillor. He requested that the committee take steps to ensure a permanent improvement to the timescale for dealing with complaints, including being satisfied that there were appropriate resources available. He also asked that the committee receive greater disclosure of the status of each complaint and its status together with the reasons for any delay.

6. **INTERNAL AUDIT PLAN 23/24 – 24/25 (AG101)**

Antony Harvey from the Southern Internal Audit Practice (SIAP) was present at the meeting, introduced the report and responded to members' questions thereon.

RESOLVED:

That the Internal Audit Plan for 2023-24, attached as Appendix A to the report, be approved.

7. **INTERNAL AUDIT CHARTER 23/24**
(AG100)

Antony Harvey from the Southern Internal Audit Practice (SIAP) was present at the meeting and introduced the report advising that there were no significant changes to previous years.

Mr Harvey and the Corporate Head of Finance responded to members' questions regarding the selection of internal auditors.

RESOLVED:

That the Internal Audit Charter 2023-24, attached as Appendix A to the report, be approved.

8. **PLANNING FOR AND AUDIT OF THE 22/23 ACCOUNTS**
(AG099)

Councillor Power (Cabinet Member for Finance and Value) introduced the report and confirmed that while she had every confidence in the council's finance team achieving the required deadlines, there remained uncertainties regarding the capacity of the external auditors as had been discussed at the previous meeting.

The Corporate Head of Finance advised that it was possible the government might bring forward the 2022/23 deadlines which would put additional pressure of the team.

RESOLVED:

That the report in respect of the council's Statement of Accounts for 2022/23 be noted.

9. **RISK MANAGEMENT POLICY 23/24**
(AG097)

Councillor Power (Cabinet Member for Finance and Value) introduced the report and stated that, following discussion of risk at Scrutiny Committee on 27 February 2023, report CAB3381 would be changed prior to consideration at Cabinet to clarify the meaning of the "RAG" (red, amber, green) bands in Section 6 of the Risk Management Policy.

The Service Lead – Corporate Support introduced the report and set out the main changes since the previous year, as summarised in paragraph 12.9 of the report.

The Corporate Head of Finance confirmed that the wording of section 9 of the policy would be considered further to try to aid understanding. It was also suggested that the committee consider the policy's wording in more detail at a future meeting to suggest further developments in terms of clarity and overall understanding.

RESOLVED:

That the Cabinet Member for Finance and Value have regard to the discussion of this committee on the policy in her presentation of report CAB3381 which would be considered by Cabinet at its meeting on 16 March 2023.

10. **LOCAL CODE OF CORPORATE GOVERNANCE**
(AG095)

The Senior Policy and Programme Manager introduced the report explaining it was largely unchanged since previous versions, with the exception of the inclusion of the agreed policy to review exempt reports.

In response to questions, the Strategic Director and Monitoring Officer advised that further investigations would be carried out to determine the amount of historic exempt papers and the resources required to ascertain whether they could be made public. including whether this should be from a specific date or subject specific. She highlighted that requests could also be made under existing data protection or freedom of information legislation.

RESOLVED:

That the Local Code of Corporate Governance 2023 as set out in Appendix 1 of the report be approved.

11. **GOVERNANCE QUARTERLY UPDATE 22/23 – Q3**
(AG096)

The Cabinet Member for Inclusion and Engagement introduced the report and referred to the concerns raised by Councillor Bronk earlier in the meeting. The Senior Policy and Programme Manager reported that in general, good progress had been made since the previous quarter as set out in the report.

The Strategic Director and Monitoring Officer responded to the comments made by Councillor Bronk, including highlighting the following points:

- (a) Internal resources and capacity had impacted on the delays to responding to code of conduct complaints and there were proposals in place to address this in the future.
- (b) A great deal of work had been undertaken on tackling the backlog of complaints in the recent months and it was anticipated all would be dealt with within the next few weeks.
- (c) The procedure for dealing with complaints would be examined with a view to streamlining the process.
- (d) Plans to introduce the new model code of conduct at the council and also roll out to parish councils to ensure all organisations were using the same code.
- (e) In addition, district wide training for parish councillors would be undertaken.

The Monitoring Officer also responded to members' questions, including on the following:

- (f) The sanctions available for breach of the code of conduct.
- (g) Whether there was any relationship with the "Debate not Hate" motion agreed by Council on 18 January 2023.
- (h) The process for updating the code of conduct and training, including the involvement of members.

The Chairperson suggested that he discuss further with the Monitoring Officer the scope of the work required to update the complaint process and a further report be brought to a future committee meeting.

RESOLVED:

That the content of the report and the progress against the internal audit management actions be noted and a further report on updating the complaints process be brought to a future meeting.

12. **SUMMARY REPORT OF OUTCOME OF STANDARDS INVESTIGATION AND ACTION PLAN**
(AG098)

The Strategic Director and Monitoring Officer introduced the report which set out that 12 code of conduct complaints were received relating to Denmead Parish Council, of which five breaches had been found. The investigation had found that no member or officer involved in the parish council could consider themselves beyond reproach. The report set out the 16 findings against the parish council. A letter was sent from the Monitoring Officer to Denmead Parish Council setting out the findings of the report together with an action plan for completion and agreement by the Parish Council. The letter sent to the parish council also asked that the parish council attend a further meeting of the Standards Sub-Committee to outline progress. The parish council had responded to the findings and requested further help, advice and training from the council.

In response to questions, the Monitoring Officer advised that one possible sanction available in general in these circumstances was to “name and shame” but this would be a decision for the Audit & Governance Committee to take.

RESOLVED:

That the Monitoring Officer’s report be noted and be considered during future discussion of the code of conduct process.

The meeting commenced at 6.30 pm and concluded at 8.40 pm

Chairperson