

# Notice of Audit and Governance Committee



Date: Thursday, 25 July 2019 at 6.00 pm

Venue: Town Hall, Bournemouth BH2 6DY

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## Membership:

### Chairman:

To be appointed

### Vice Chairman:

To be appointed

Cllr M Andrews  
Cllr S Bartlett  
Cllr J Beesley

Cllr D Butt  
Cllr M Cox  
Cllr B Dunlop

Cllr S McCormack  
Cllr M White  
Cllr L Williams

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All Members of the Audit and Governance Committee are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to attend.

If you would like any further information on the items to be considered at the meeting please contact: or email [democratic.services@bcpcouncil.gov.uk](mailto:democratic.services@bcpcouncil.gov.uk)

Press enquiries should be directed to the Press Office: Tel: 01202 454668 or email [press.office@bcpcouncil.gov.uk](mailto:press.office@bcpcouncil.gov.uk)

This notice and all the papers mentioned within it are available at [democracy.bcpcouncil.gov.uk](http://democracy.bcpcouncil.gov.uk)

GRAHAM FARRANT  
CHIEF EXECUTIVE

17 July 2019



Available online and  
on the Mod.gov app



# AGENDA

Items to be considered while the meeting is open to the public

## 1. **Apologies**

To receive any apologies for absence from Councillors.

## 2. **Substitute Members**

To receive information on any changes in the membership of the Committee.

Note – When a member of a Committee is unable to attend a meeting of a Committee or Sub-Committee, the relevant Political Group Leader (or their nominated representative) may, by notice to the Monitoring Officer (or their nominated representative) prior to the meeting, appoint a substitute member from within the same Political Group. The contact details on the front of this agenda should be used for notifications.

## 3. **Declarations of Interests**

Councillors are required to comply with the requirements of the Localism Act 2011 regarding disclosable pecuniary interests. Declarations received will be reported at the meeting.

## 4. **Election of Chairman of the Audit and Governance Committee**

Councillors are asked to elect the Chairman of the Audit and Governance Committee for the 2019/20 Municipal Year.

## 5. **Election of Vice Chairman of the Audit and Governance Committee**

Councillors are asked to elect the Vice Chairman of the Audit and Governance Committee for the 2019/20 Municipal Year.

## 6. **Public Issues**

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these is available to view at the following link:-

<https://democracy.bcpccouncil.gov.uk/documents/s2305/Public%20Items%20-%20Meeting%20Procedure%20Rules.pdf>

The deadline for the submission of public questions is Thursday 18 July 2019.

The deadline for the submission of a statement is 12.00 noon on Wednesday 24 July 2019.

The deadline for the submission of a petition is 12.00 noon on Wednesday 24 July 2019.

**7. Response to a deputation made by the Chairman of Kinson Community Association (KCA) at the last Bournemouth Borough Council (BBC) Audit & Governance Committee 16th January 2019**

**Response to KCA Question 1 – When, if ever, has the Community Regeneration and Community Centre function of the Council (BBC) been audited?**

The function has not been audited in the last six years. Instead other forms of assurance have been used to measure the effectiveness of the Council's Community Regeneration and Community Centre support service, principally the positive and negative feedback from all Centres in Bournemouth.

Internal Audit provided assurance on the effectiveness and adequacy of several related corporate functions relevant to the Landlord status BBC had for Community Centres including Kinson Community Centre (KCC). These included, but were not limited to:

- Health & Safety;
- Fire Safety; and
- Building Maintenance.

**Response to KCA Question 2 – Why the Anti-Fraud and Corruption Policy which states that: “The policy will be communicated to all staff, councillors, contractors and other relevant bodies”, clearly is not?**

Whilst it was a clear aspiration for every employee to be aware of the Anti-Fraud and Corruption Policy (the Policy), this was extremely difficult to achieve across such a large and diverse workforce. The BBC induction program made all new starters aware the Policy existed and where to find it.

**Response to KCA Question 3 – Why, in the experience of KCA, have officers at all levels failed to follow the Anti-Fraud and Corruption Policy?**

The then Head of Community Regeneration took the view that BBC's Anti-Fraud and Corruption Policy did not apply in this case.

A subsequent 'Independent Reviewer' produced a series of findings which stated that BBC employees acted (quote) '*appropriately, reasonably and professionally*' during their respective interactions with KCA.

The Service Director for Communities (BCP Council) is implementing two recommendations made by the independent reviewer to foster and improved landlord (BCP) / tenant (KCA) relationship

**8. Use of Regulation of Investigatory Powers Annual (RIPA) Report 2018/19 for the legacy Councils, Bournemouth, Christchurch and Poole.**

The legacy Councils have not made use of RIPA powers during the 2018/19 financial year.

**9. 2018/19 Annual Breaches, Waivers & Exemptions Report for the three legacy Councils (Bournemouth, Christchurch and Poole Councils)**

This report sets out the breaches, waivers and exemptions of Financial Regulations which have occurred during the 2018/19 financial year for the three legacy Councils and highlights the following:

	Breaches	Waivers & Exemptions (agreed by the Chief Finance Officer)
Bournemouth	1	59
Christchurch	0	8
Poole	3	26
Total (Count)	4	93
Total (£ value)	£3,083	£8.5M

The relatively low number (and £ value) of breaches and the broadly similar number of waivers to previous years indicate that there was generally a good level of understanding of the Regulations.

Whilst full compliance can never be guaranteed and ‘under-reporting’ is an inherent possibility, arrangements were in place to detect instances of non-compliance.

An effective and transparent breaches / waivers / exemptions governance process maximises the chances of the Council(s) achieving value for money and complying with UK law (Public Contract Regulations 2015) when procuring goods, services or works.

**10. The Chief Internal Auditor's Annual Report & Opinion for the three legacy Councils (Bournemouth, Christchurch and Poole Councils)**

It is the opinion of the Chief Internal Auditor that for the three legacy councils:

- arrangements were in place to ensure an adequate and effective internal control environment and where weaknesses were identified there was an appropriate action plan in place to address them;
- the systems and internal control arrangements were effective and agreed policies and regulations were complied with;
- adequate arrangements were in place to deter and detect fraud;
- there was an appropriate and effective risk management framework;
- managers were aware of the importance of maintaining internal controls and accepted recommendations made by Internal Audit to improve controls;
- the respective Councils' internal audit service was effective and compliant with all regulations and standards as required of a professional internal audit service; and that

the arrangements, at the respective Councils, in respect of the Chief Internal Auditor were consistent with all of the five principles set out in the CIPFA publication “The Role of the Head of Internal Audit in Public Sector Organisations”.

<p><b>11. Annual Governance Statement 2018-2019 – For the three legacy Councils, Bournemouth Christchurch and Poole</b></p> <p>The Accounts and Audit Regulations 2015 require councils to produce an Annual Governance Statement (AGS) to accompany its Statement of Accounts.</p> <p>This report seeks approval for the Annual Governance Statements for the three legacy Bournemouth, Christchurch and Poole councils.</p> <p>For all three legacy Councils <b>‘the governance arrangements were fit for purpose and in accordance with the respective governance framework in place at each council’</b>.</p> <p>After considering all the sources of assurance (of governance arrangements) in the legacy councils, BCP Corporate Management Board identified that the following significant governance issues existed.</p> <ul style="list-style-type: none"> <li>• Bournemouth – Information Governance and governance related issues raised in the Ofsted inspection of Children’s Social Services;</li> <li>• Christchurch – none; and</li> <li>• Poole – Information Governance.</li> </ul> <p>Action plans to address these significant governance issues, which continue to be relevant for BCP Council, has been produced and is being implemented.</p>	<p>77 - 108</p>
<p><b>12. External Audit Plans 2018/19 for the three legacy Councils (Bournemouth, Christchurch and Poole Councils)</b></p> <p>The attached reports set out the work that the Councils’ External Auditors, Grant Thornton, planned to undertake for the audit of the three legacy Councils’ Statement of Accounts in respect of 2018/19 (as previously agreed by legacy Council Audit Committees).</p> <p>The External Auditors planned to give an opinion on whether the accounts give a true and fair view and whether the Councils have made proper arrangements for securing economy, efficiency and effectiveness in their use of resources.</p>	<p>109 - 160</p>
<p><b>13. External Audit - Audit Findings Reports 2018/19 for the three legacy Councils (Bournemouth, Christchurch and Poole Councils)</b></p> <p>The attached reports set out the findings of the Councils’ external auditor following their audit of the three legacy Councils’ Statement of Accounts 2018/2019. The key points to note are:</p> <ul style="list-style-type: none"> <li>• Grant Thornton anticipate providing an unqualified opinion on the financial statements for each of the three legacy Councils; and that Grant Thornton were satisfied that, in all significant respects, the three legacy Councils had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources (unqualified VFM conclusion).</li> </ul>	<p>161 - 164</p>

<b>14. Statement of Accounts 2018/19</b>	165 - 196
<p>This report presents the 2018/19 Statement of Accounts for each of the three predecessor councils, Bournemouth, Christchurch and Poole.</p> <p>Each of the Statement of Accounts has been prepared in accordance with the CIPFA Local Authority Accounting Code of Practice, and presents a True and Fair view of the relevant authority's financial performance for 2018/19 and financial position as at 31 March 2019.</p> <p>This report explains any key changes, highlights any significant issues, and provides an opportunity for robust Member scrutiny prior to their formal approval.</p>	
<b>15. Internal Audit – Audit Charter 2019/20, Audit Plan 2019/20 and Quarterly Audit Plan Update Qtr1 2019/20</b>	197 - 222
<p>This report sets out the Internal Audit Charter and Audit Plan for 2019/20. Approval of these documents by the Audit and Governance Committee is a requirement of the Public Sector Internal Audit Standards (PSIAS).</p> <p>The report also details progress made on delivery of the 2019/20 Audit Plan for the period April to June (inclusive) 2019. The report highlights that:</p> <ul style="list-style-type: none"><li>• Three audit assignments have been completed (all 'Reasonable' audit opinion);</li><li>• Twenty audit assignments are in progress;</li><li>• Implementation of audit recommendations is satisfactory;</li></ul> <p>There are no other significant issues to report.</p>	
<b>16. Risk Management – Corporate Risk Register Update</b>	223 - 240
<p>This report updates Members on the position of the Council's Corporate Risk Register following the quarterly review by the Corporate Management Board. The main changes are as follows:</p> <ul style="list-style-type: none"><li>• No new risks have been added to the Council's Corporate Risk Register during the quarter;</li><li>• The overall risk score on the following risks have been reduced (risk score equals an assessment of the likelihood and impact of the risk occurring)<ul style="list-style-type: none"><li>○ CRR04 - Failure to provide adequate IT and cyber security</li><li>○ CRR06 - Failure to adequately respond to an incident involving the activation of the emergency plan</li><li>○ CRR07 - Failure to provide adequate services as a result of an incident requiring a business continuity response;</li></ul></li><li>• Corporate Risk CRR08 has been removed during this quarter;</li></ul> <p>Each of the risks have been reviewed and including the Actions Completed and the Actions Proposed.</p>	

<b>17. Arrangements for the Registration of Gifts and Hospitality for BCP Council Officers</b>	To Follow
<b>18. Forward Plan 2019/20</b> This report sets out the core reports to be received by the Audit & Governance Committee for the 2019/20 financial year in order to enable it to fulfil its terms of reference.	241 - 244

No other items of business can be considered unless the Chairman decides the matter is urgent for reasons that must be specified and recorded in the Minutes.