

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 23 January 2020 at 6.00 pm

Present:-

Cllr J Beesley – Chairman

Cllr L Williams – Vice-Chairman

Present: Cllr M Andrews, Cllr S Bartlett, Cllr M F Brooke, Cllr M Cox,
Cllr B Dunlop, Cllr S McCormack and Cllr M White

Also in P Dossett and S Harding, Grant Thornton, External Auditors
attendance:

52. Apologies

There were no apologies for absence.

53. Substitute Members

There were no declarations of interest.

54. Declarations of Interests

Councillor L Williams declared an interest as a Board member of the Russell Coates Management Committee but participated in the discussion and voting.

55. Confirmation of Minutes

The Minutes of the meeting held on 19th December 2019 were confirmed as a correct record.

56. Public Issues

There were no public issues.

57. Annual Governance Statement (AGS) Action Plan Update

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Members were reminded that, at the meeting of the Committee in July 2019, an action plan had been agreed to address two significant identified governance issues and that a progress report had been requested at the January 2020 meeting. These issues had both been inherited from the legacy Councils.

The Committee accordingly received an update report on progress made to date on the two identified issues namely Information Governance and on the issues raised in the Ofsted Inspection of Children's Social Services. In response to questions, it was explained that membership of the Information Management Board included Corporate and Service Directors supported by Managers where necessary.

RESOLVED

That progress made to address governance issues on the Bournemouth, Christchurch and Poole Council Annual Governance Statement Action Plan 2019/20 be noted.

Voting: Unanimous

58. Treasury Management Monitoring report for the period April to December 2019 and Treasury Management Strategy 2020/21

The Finance Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

The Committee was reminded of the requirements under the Chartered Institute of Public Finance and Accountancy ('CIPFA') Treasury Management Code of Practice that regular monitoring of the Treasury Management function was reported to Members.

The report provided monitoring information about treasury management activity from 1 April to 31 December 2019 and reported a surplus of £110k achieved through higher investment returns over the period. Set within the context of the economic background, the impact of interest rates and the approach to borrowing was set out. Members were provided with itemised schedules of borrowings and investments as at 31 December 2019.

The Treasury Management Strategy 2020/21 was also included as an appendix to the report and the requirement for annual approval of the strategy was explained. Key changes to the strategy were set out.

RESOLVED

a) That the reported activity of the Treasury Management function for the period ending December 2109 be noted;

b) That the Treasury Management Strategy 2020/21 be approved.

Voting: Unanimous

59. Assurance Framework and Internal Audit Planning Consultation

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

To comply with Audit Standards, the report set out the Bournemouth, Christchurch and Poole Council Assurance Framework and it was explained that the Framework identified the components which enabled the Council to satisfy itself that identified risks were being managed by adequately designed and effective controls. The Framework identified responsible Directorates against a schedule of assurance sources.

The report also provided details of the proposed 2020/21 Internal Audit Plan approach including detailed allocations of audit plan days against audit activity and comparison with the number of days allocated in the previous financial year. It was noted that the full Audit Plan would be agreed by the Committee at its meeting in April 2020.

The Committee also considered options for carrying out an external assessment and review of the Internal Audit service as required under Public Sector Internal Audit Standards to be undertaken once every five years. Although a range of providers were available, the assessment provided by the Chartered Institute of Public Finance and Accountancy ('CIPFA') appeared to currently provide the best value for money. The Committee was of the view that assessment by CIPFA would provide a useful assessment alongside the potential for valuable accreditation of the service.

It was noted that the value of the assessment process would be assessed once completed and its benefit reviewed before using it in future years.

RESOLVED

- a) That the Bournemouth, Christchurch and Poole Council Assurance Framework be agreed;**
- b) That, subject to the full Internal Audit Plan being referred to the Committee at its meeting in April the Internal Audit Plan approach for 2020/21 be agreed in draft;**
- c) That an external assessment of the Internal Audit service be undertaken and a review of the process involved be brought to a future meeting of the Committee.**

Voting: Unanimous

60. Internal Audit Plan Update - April to December 2019

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

This report set out details of progress made on delivery of the 2019/20 Internal Audit Plan for the period 1 October to 31 December 2019 and provided Members with assurance that the appropriate systems were in place. A total of 27 audit assignments were reported to have been completed and three partial audit opinions were reported. The 30 assignments in progress were listed for the information of the Committee. In response to questions, it was confirmed that particular focus was always placed upon high risk cash collection service. There was specific reference to the recommendations made as a result of the audit of Poole Market, of the system of Officer declarations of interest and the audit of Councillor IT equipment. It was also noted that one Whistleblowing investigation has been completed and that one investigation was on-going.

RESOLVED

That Audit & Governance Committee note progress made and issues arising on the delivery of the 2019/20 Internal Audit Plan.

Voting: Unanimous

61. Governance of Corporate Health & Safety and Fire Safety

The Health and Safety and Fire Safety Managers presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

It was reported that, following approval of the Bournemouth, Christchurch and Poole Council, Health & Safety and Fire Safety policies and new governance arrangements have been implemented and the first meeting of the Health & Safety and Fire Safety Board had taken place on 14th November 2019. The adopted Governance Framework had been circulated with the report and, in parallel, the process towards establishment of a single BCP Council staffing structure was described. Recruitment to complete the necessary resource was underway and, once in place, would enable proper discharge of the required functions including embedding Health and Safety within the wider governance framework.

Operational updates would be provided through development of links with service areas and high-risk areas had already been identified and a number of policy areas selected for priority attention. At the same time, advice on risk assessments was being provided to all service directorates and to schools. A comprehensive and targeted training programme was being designed for implementation during the year ahead.

The report also detailed progress made on the delivery of health & safety and fire safety governance arrangements and particularly the development of an action plan and mechanism for tracking progress at each Board meeting. The Framework also specified the relationship between the Board and the Audit and Governance Committee as well as the role and accountability of senior managers across the Council. The Chief Executive, who also chaired the Health and Safety Board, confirmed that the necessary resources would be deployed to ensure that the Council was able fully to discharge its responsibilities.

Although it was proposed and noted that an annual report would be made to the Committee, Members were of the opinion that an interim report six months after would be useful at this initial stage.

In response to questions, it was confirmed that any issues of urgency would be reported to the Committee as soon as they were known including the results and recommendations arising from, for example, the Grenfell Inquiry if there was a significant impact upon the Council.

The Committee concluded this item by recording their thanks to the Health and Safety and Fire Safety Managers for their work so far in setting up these arrangements.

RESOLVED

That the report on the progress achieved in setting up the governance arrangements for Corporate Health and Safety and Fire Safety be noted and that on-going arrangements be reported to the Committee annually except that in the initial implementation period an interim report be submitted to the Committee in six months.

Voting : Unanimous

62. BCP Council - Declaration of Interests, Gifts and Hospitality Policy (for officers)

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'F' to these Minutes in the Minute Book.

It was explained that, to replace arrangements in the legacy Councils which currently continued to apply, a draft BCP Council - Declaration of Interests, Gifts and Hospitality for Policy for Officers had been drawn up and was circulated with the agenda. It was intended that the Policy would take effect from 1 April 2020 and that its implementation across Bournemouth, Christchurch and Poole Council would address weaknesses in the control framework as identified within the recent Internal Audit review. These mainly concerned inconsistencies arising in practice as a result of the current application of three different legacy Council Policies.

The Committee made a number of specific comments on the draft document presented to them and noted the importance of ensuring that the new policy worked well in practice. Members were also invited to send any additional comments direct to the Head of Audit and Management Assurance. Training and awareness for staff was recognised as being key to successful roll-out.

RESOLVED

That the draft Declaration of Interests, Gifts and Hospitality Policy (for Officers) be noted and supported in principle but that the Policy be brought back again to the Audit and Governance Committee at the earliest appropriate meeting prior to implementation in order to enable the final Policy to reflect the views of the Committee as expressed at this meeting.

Voting: Unanimous

63. BCP Constitution

The Monitoring Officer presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book.

The report included a summary of the recommendations of the Constitution Issues Working Group which had been formed by the Committee in October 2019 and which had subsequently met on three occasions. The Group had particularly considered a schedule of issues identified since the formal establishment of the Bournemouth, Christchurch and Poole Council ('BCP Council'). The Group also consulted with Councillors across the Council.

There was discussion and debate about the recommendations from the Working Group.

Statutory Officers Disciplinary arrangements

In response to questions, it was confirmed that it was the full Council which would determine which Councillors would be appointed to the Investigation and Disciplinary Committee in accordance with nominations from Political Groups and it was suggested that Council would want to ensure that those nominated had experience which was appropriate for the role. It was also confirmed that the new Committee, a Committee of Council, would be Politically balanced, annually appointed and have an annually elected chair.

All Councillors to sit on one Committee

The view of the Committee was that although there should be a clear expectation to this effect, it should not become an absolute requirement.

Time and venue of meetings

The Committee noted that within the context of the Calendar of meetings set and agreed annually by Council there would still be some occasions when, still subject to the agreement of the Chairman, the venue of a meeting would be changed.

'Calling-in' planning applications to Planning Committee

The Committee considered a wide range of issues and heard from the Head of Planning about the likely impact of any changes on both duration of Committee meetings and on professional advice and processing resources within the Planning service. It was noted that a similar provision had applied in at least one of the legacy Councils.

There was also discussion about introduction of a policy whereby planning applications would be referred for determination by the Committee if subject of a set number of representations from members of the public that were contrary to the recommendation of the Planning Officer. The view of the Committee was that these representations should not be restricted by being limited to persons within the BCP Council area.

It was proposed and seconded that the reference to Committee should be triggered when there were 15 representations from different addresses. By way of an amendment, it was proposed and seconded that reference to Committee should be triggered when there were 20 representations from different addresses and, on being put to vote, the amendment was carried (Voting: For the amendment 6; Against 3). As a Substantive motion, the motion was carried (Voting: For the motion: Unanimous).

There was a recognition that the Head of Planning and the Monitoring Officer would need to work closely together on the implementation of this change.

It was also noted that further work would also be undertaken around how to deal with retrospective planning applications and additional proposals suggested for further discussion.

Officers undertook to feedback to the Committee on the impact and effect of the changes over time.

Public participation and access including limits on statements and questions

The Committee was of the view that, at full Council meetings, public questions and statements should be limited to a maximum of four per questioner per Municipal year although a question or statement could relate to any Council business although, by contrast, public questions and statements at Cabinet and Committees should relate to an item on the agenda of the meeting.

In considering this recommendation from the Working Group the Committee took into account particularly the views of the Overview and Scrutiny Board whose expressed concern was that the power of the public to raise

questions and make statements at the Overview and Scrutiny Board should not be unduly restricted. It was noted however that the standing 'Forward Plan' item on the agenda for all Overview and Scrutiny Committees and the ability to ask questions and make statements on that item effectively served in practice to alleviate the risk of excluding genuine questions and statements.

Recording votes

The Committee was of the view that the rights which currently applied only at full Council whereby 25% of those present at a meeting may request a recorded vote should be extended across all meetings.

Minutes of Committees in Council agenda, Voting on appointments, new Terms of Reference for Audit and Governance Committee, Interim Shadow Council arrangements and Technical and Administrative changes

The Committee supported the recommendations and approach of the Working Group in relation to the above issues.

Members concluded with a discussion about the future of the Working Group and were invited to submit any further issues for discussion, or any which arose in the future, to the Monitoring Officer. When there were sufficient items or if there was a key subject then, in consultation with the Chairman, a proposal could be put for to reconvene the Working Group. It was important to ensure that the Audit and Governance Committee maintained an appropriate level of overview of the Council's Constitution.

RECOMMENDED

- (a) That the following additions and amendments to the Bournemouth, Christchurch and Poole Council Constitution be approved and incorporated within the Constitution.**

Statutory Officers Disciplinary arrangements

- i. That an 'Investigation and Disciplinary Committee' be established as a Committee of Council with the Terms of Reference and membership as set out in appendix A of the report to the Audit and Governance Committee;**
- ii. That an 'Independent Persons Panel' be established consisting of three Independent Persons appointed pursuant to the Localism Act requirements;**
- iii. That the Terms of Reference of the existing Appeals Committee be amended to include responsibility for determining appeals relating to disciplinary action in respect of the relevant Statutory Officers;**

All Councillors to sit on a least one Committee

- iv. That there should be an expectation that all Councillors will sit on at least one Committee or Panel of the Council;

Minutes in Council agenda

- v. That the requirement to agree and publish Minutes of all Committees at meetings of full Council be deleted;

‘Calling-in’ planning applications to Planning Committee

- vi. That the ‘call-in’ period for Councillors should commence from the time at which the planning application is electronically published on the Bournemouth, Christchurch and Poole Council website;
- vii. That, where there are amendments to plans which require a further publication period, Councillors may call in the application during that further publication period;
- viii. That a planning application be ‘called-in’ to the Committee where there have been 20 representations, based on planning grounds, from separate addresses that are contrary to the recommendation of the planning officer and that the Head of Planning have the authority to make the decision as to whether the contrary objections are based on planning grounds;
- ix. That the Head of Planning have a wide discretion to refer planning applications to the Committee himself where he considers that it is appropriate to do so;

Public participation and access

- x. That the new Appendix 6 and the new Petition Scheme as set out in appendices B and C of the report to the Audit and Governance Committee be approved and adopted;

Recording votes

- xi. That the provision allowing 25% of members present at a meeting to request a recorded vote be extended to all Committees;

Terms of Reference for Audit and Governance Committee

- xii. That the revised Terms of Reference for Audit and Governance Committee as described in appendix D of the report to the Audit and Governance Committee be approved and adopted;

Interim arrangements for the Shadow Authority

xiii. That the arrangements in Article 14 of the Constitution relating to the Shadow Authority be deleted.

(b) That a report on provisions within the Bournemouth, Christchurch and Poole Council Constitution relating to 'Voting on Appointments' be submitted by the Monitoring Officer to the meeting of the Council in March and that the question of whether voting on appointments should continue to be by secret ballot be determined at that meeting;

(c) That necessary and consequential technical and formatting updates and revisions to the Bournemouth, Christchurch and Poole Council Constitution be made by the Monitoring Officer in accordance with the powers delegated to her.

Voting : Unanimous

64. Risk Management - Corporate Risk Register Update

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

The report provided the Committee with the current position following the quarterly review by the Corporate Management Board and changes to Corporate risks and updates to the mitigation factors were highlighted.

RESOLVED

That the outcome of the review of the Corporate Risk Register be noted.

65. External Audit progress report including certification of grant claims (2018/19) for legacy Councils

The Head of Audit and Management Assurance presented a report from external auditors, Grant Thornton, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'I' to these Minutes in the Minute Book.

The report provided an update on the external auditor's progress in delivery of their responsibilities. Completed certification work and ongoing activity was described and the report also included a summary of emerging national issues and developments.

RESOLVED

That the External Auditor's progress to date in delivering their responsibilities and the sector update provided be noted.

Voting: Unanimous

66. External Audit Fee Letter 2019/20

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'J' to these Minutes in the Minute Book.

The report set out details of the External Auditor's proposed annual fee for 2019/20 as set out in the letter attached to this report. It reported a core fee of £160,000 for the audit of the Council's 2019/20 financial statements as agreed by Public Sector Audit Appointments Ltd (PSAA) and fees likely to be charged for other (grant certification) work completed by the External Auditor amounting in total for 2019/20 to £194,000.

RESOLVED

That the External Auditor's proposed annual fee for 2019/20 as set out in the letter attached to this report be noted.

Voting: Unanimous

67. Forward Plan 2019/20

The Head of Audit and Management Assurance presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'K' to these Minutes in the Minute Book.

The Committee noted and agreed the subject of presentations to the next two meetings of the Committee and the next core business meeting. The venues for the meetings would be confirmed as soon as possible.

The Chairman repeated his request to Members to submit to him subjects for future presentations to the Committee. Members were also reminded about the opportunities to attend audit and governance related training being provided by the Local Government Association and encouraged to participate wherever they could.

The Chief Executive informed the Committee that after the publication of the agenda for this meeting, a response to issues addressed at a previous meeting had been received from the Kinson Community Association and assessment of the response received would be brought to the first appropriate meeting of the Committee.

RESOLVED

That the Forward Plan be noted.

Voting: Unanimous

The meeting ended at 8.52 pm

CHAIRMAN