

**BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL**  
**AUDIT AND GOVERNANCE COMMITTEE**

Minutes of the Meeting held on 02 December 2021 at 6.00 pm

Present:-

Cllr J Beesley – Chairman  
Cllr L Williams – Vice-Chairman

Present: Cllr D Butt, Cllr M Cox, Cllr L Fear, Cllr A Filer, Cllr M Phipps and  
Cllr Dr F Rice

51. Apologies

An apology for absence was received from Councillor Brooke.

52. Substitute Members

There were no substitute members.

53. Declarations of Interests

Councillor Williams declared an interest as a Board Member of the Lower Gardens Trust.

54. Confirmation of Minutes

The Minutes of the meeting held on 28 October 2021 were confirmed as a correct record.

55. Public Issues

There were no public issues.

56. 2020/21 Statements of Accounts and Audit Findings Report

The Committee noted that the external audit of the Statement of Accounts for the year ended 31 March 2021 for BCP Council had not yet reached a sufficient level to present materially accurate accounts to the Audit and Governance Committee alongside the Grant Thornton Audit Finding Report.

It was explained that the delay had arisen due to a combination of factors including: the impact of COVID-19 on both the complexity of the audit and pace at which it could be completed; the continued inherent complexity and disclosure requirements of Local Government financial reporting and the increased assurance work that auditors are required to carry out nationally with respect to pensions and asset valuations.

The Committee was advised that the situation was allowed for under statutory regulations and that a notice of the delayed audit could be found on the Council's website confirming the delay in publishing the audited 2020-21 Statement of

Accounts in line with the publication date of 30 September 2021. For context, over 90% of local authority audits for 2020/21 had missed the 30 September deadline. The Council was continuing to work closely with the external auditor to ensure the required work was completed as soon as possible and could be presented to the Committee as soon as possible.

In noting the current position and that a further report would be presented to the Committee, the Chairman of the Committee also thanked the Head of Finance and his team for their work in presenting a very helpful and informative informal briefing session for the Committee on the subject of the Statement of Accounts.

57. Report of the Constitution Review Working Group - Changes to the Constitution

The Monitoring Officer and the Head of Democratic Services 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 referred to discussions at the special meeting of the Committee held on the previous day and were reminded that, although being live-streamed for public viewing, it was not a decision making meeting because of its 'virtual' format. The report which had been discussed and debated on the previous day had been re-issued with the agenda and the same members of the Committee were present. Proposals from the Committee would be the subject of recommendation to Full Council.

The Chairman outlined the nature of the consensus which had been reached following the in-depth discussion and debate on the previous day.

Once again, the Chairman recorded his thanks to the Chairman, Vice-Chairman and members of the Constitution Review Working Group and to the Officers involved in bringing forward to the Committee the revised Constitution in its current format.

The Chairman also reminded the Committee of a number of issues which, though not part of the current review, had been identified by the Committee for referral back to the Constitution Review Working Group for consideration when it began its work again in the New Year. This initial list included:

- The number of Members on Overview and Scrutiny Board and Committees and the status and role of Cabinet Lead Members;
- Clarification about the powers of the Head of Paid Service in relation to contracted workers;
- Issues around standing to speak at Council and associated etiquette;
- The process for interpretation of Procedure Rules – who has the final say; and
- Code of Conduct issues – particularly dealing with complaints by Councillors against fellow Councillors.

The Chairman also informed the Committee that, as he had done in previous years, it was his intention to write to all members of Council inviting submission of new items and subject areas for consideration and review by the Working Group.

**RECOMMENDED TO COUNCIL**

- (a) **that the views and recommendations of the Constitution Review Working Group as considered by the Audit and Governance Committee and as set out in the relevant parts of the Constitution be approved as follows:-**
- (i) **that the proposed changes to Part 1 (Constitution Summary and Explanation) be adopted;**
  - (ii) **that the proposed changes to Part 2 (Articles of the Constitution) be adopted subject to the following amendments:-**
    - Article 3, paragraph 3.1.4 (a), relating to the rights of the public, being amended to read “Complain to the Council where there is an alleged breach of the Councillors’ Code of Conduct. The arrangements for dealing with allegations of breach of the Code of Conduct for Councillors is set out in Schedule 1 to Part 6 of this Constitution.”;**
  - (iii) **that, subject to (iv) below, the proposed changes to Part 3 (Responsibility for Function and Officer Scheme of Delegation) be adopted subject to:-**
    - Part 3A, paragraph 7.1.1 being deleted (i.e. the removal of responsibility for personnel-related appeals);**
  - (iv) **that a Place Overview and Scrutiny Committee comprising 11 members, meeting six times per annum be established from the Annual Meeting of Council in May 2022, subject to the remit as outlined in Part 3A, paragraphs 4.7 and 4.8 of the proposed Constitution being amended to read:-**
    - “4.7 The Place Overview and Scrutiny Committee will be responsible for carrying out those duties as outlined in 4.2.7 to 4.2.13 above, in relation to matters such as strategic planning, house building, homes, environment, cleansing, waste, transport and sustainability.”**
    - “4.8. This Committee carries out all the Council’s overview and scrutiny functions relating to flood risk management as required by legislation.”**
  - (v) **that the proposed changes to Part 4 (Procedure Rules) be adopted, subject to:-**
    - 1. the words “A Councillor may ...” in Part 4D, paragraphs 13.17 (Points of Order) and 13.18 (Personal Explanation) being replaced with “A member of the meeting may...”;**
    - 2. Part 4D, paragraph 24.1 (Disorderly conduct by Councillors), second sentence, being amended to read “If the misconduct continues, the person presiding or any other Councillor may move “That the Councillor be not further heard for the item being debated” or “That the Councillor be not further heard for the remainder of the meeting”.**
  - (vi) **That the proposed changes to Part 6 (Code of Conduct and Protocols) be adopted, subject to the inclusion of the Planning Committee Protocol for Public Speaking as a Local Protocol within this Part;**

- (b) **that necessary and consequential technical and formatting related updates and revisions to the Constitution, including the minor textual corrections identified by the Audit and Governance Committee, be made by the Monitoring Officer in accordance with the powers delegated.**

Voting : Unanimous

58. BCP Council Parks Governance Arrangements

The Interim Director of Environment and 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 'B' to these Minutes in the Minute Book.

The Committee was reminded of the presentation received in June 2021 and a further copy of the accompanying slides had been circulated with the agenda. This provided background to the variety of inherited parks governance arrangements inherited from the BCP Council legacy Councils. Each of these was set out and explained and it was clear that there was a case to seek to simplify and reduce these variations for the sake of clarity, efficiency and effectiveness.

Some arrangements were explained to have origins in Acts or Agreements that could not be ignored or replaced without proper legal and financial due diligence, options appraisal and decision made at the appropriate level. Other governance arrangements, such as Board meetings for the Lower Gardens Trust, had been impacted by the Covid-19 pandemic but it was nevertheless accepted that these bodies should properly have been meeting and apologies for this were offered. It was reported that, in the case of the Lower Gardens Trust particularly, and as a matter of urgency, a meeting of the Trust Board was being arranged to take place during December.

There was agreement that stronger parks governance arrangements was a priority although there was reassurance and recognition that the parks service was being well managed and delivered and attracting high levels of recorded customer satisfaction in excess of the national figures.

A number of specific issues had been identified by the Committee in June for further investigation and report and at that time the Monitoring Officer was also requested to provide an opinion upon the current arrangements.

In parallel, it was also reported by the Head of Audit & Management Assurance that the scope of an internal audit review already taking place had been refocussed with a wider scope to take account of Councillors' comments. The summary of these internal audit findings were set out with the agenda and, although not yet finalised, the overall opinion of the audit was likely to be one of 'Partial Assurance' identifying some weaknesses in the control framework which may put service objectives at risk. The Committee was advised that confirmation of the final position would be reported to the Audit and Governance Committee in January 2022 as part the Internal Audit Quarterly Update Report.

Members of the Committee raised a number of specific questions about funding and the process of bidding for financial support and about the role of the Council. Specific details were provided about the role of 'The Parks Foundation' and about how the relationship between BCP Council and the Foundation was set out though a Memorandum of Understanding. Although

there were clearly provisions for Council involvement including specifications of the numbers of Councillor and external representatives, the role of the Audit and Governance Committee was to ensure that the arrangement for governance were robust and that there were arrangements for clear oversight by the Council. There was agreement that revisions to the Memorandum needed to be clear and expressed in such a way that the Committee could check and be satisfied about what was being put in place.

The role of the grant-funded Future Parks Accelerator Project was also explained and this was expected to develop a range of options for the Council to consider about how parks could be governed and maintained for the wider benefit and use by communities for future generations.

The Monitoring Officer was supportive of the review work being undertaken and explained that, due to resources issues preventing the work being undertaken internally, it was proposed to commission an external legally focussed review of the existing arrangements.

**RESOLVED that the Audit and Governance Committee**

- (a) notes the work underway to confirm the role and relationship between the Parks Foundation and the Council including further due diligence and a review of the Memorandum of Understanding;**
- (b) supports the view of the Monitoring Officer that legal services commission, in liaison with the Environment Service, a report that assesses all the trust arrangements in place for parks and open spaces across BCP and produces recommendations for modern governance arrangements;**
- (c) notes that a further report on these governance arrangements and suggestions for the way forward will be considered by a future meeting of the Committee before any changes to arrangements are implemented.**

Voting: Unanimous

59. Process for the appointment of external auditors 2023/24 to 2027/28

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.

The Committee was reminded of the statutory requirements relating to appointment of an external auditor of the Council's accounts for each financial year and that the current arrangements in place covered the period up to and including the audit of the 2022/23 accounts.

The BCP Council legacy Councils were reported to have opted in to appointing arrangements established and co-ordinated nationally by Public Sector Auditor Appointments ('PSAA') and PSAA were now commencing a procurement exercise for the next five-year appointing period commencing with the 2023/24 audit.

Full details of the PSAA invitation were provided for the Committee within an appendix to the report. The Committee was advised that the PSAA approach was supported and recommended by the Local Government Association and was used by the vast majority, approximately 98%, of Councils nationwide. The approach to opt in to the national auditor appointment scheme was also reported as being endorsed by the Chief Executive, Chief Finance Officer and Monitoring Officer.

The Committee reviewed the role of the appointed auditor and the options available to the Council. These included options to appoint an auditor directly or in partnership with another authority or to continue with the PSSA model. The relative benefits of the respective options were outlined and discussed within the context of the current local audit market and against the background of the current situation with delays experienced in issuing audit opinions. Officer recommendations were submitted for consideration.

#### **RECOMMENDED TO COUNCIL**

**That Council approves the decision by the Audit and Governance Committee to accept Public Sector Audit Appointments' (PSAA's) invitation to opt into the sector-led option for the appointment of external auditors to principal local government and police bodies for five financial years from 1 April 2023.**

Voting : Unanimous

#### 60. Audit & Governance Committee Forward Plan

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 Plan set out the reports to be received by the Audit and Governance Committee for the 2021/22 municipal year.

It was noted that the subject of 'Tendering and use of Consultants' would be added to the meeting of the Committee on 17 March 2022.

It was noted that an additional meeting may be required at the end of January or in February 2022 to consider the subject of 'Additional Restriction Support Grant (Covid-19)'.

The Committee was informed that an 'All Members Briefing' on the subject of the review of the BCP Council Constitution would take place on Thursday 6 January 2022 at 5.30pm before the recommendations for review were presented to the meeting of Full Council on 11 January 2022.

The Chairman referred to his intention shortly to write to members of the Committee inviting submission of items for possible in-depth consideration by the Committee outside of the 'core business' meetings and this would happen in parallel with development of a new Forward Plan for the 2022/23 Municipal Year.

**RESOLVED that subject as above the Audit and Governance Committee approves the Forward plan set out at Appendix A.**

Voting: Unanimous

