

**GOVERNANCE & AUDIT COMMITTEE
21 SEPTEMBER 2016
7.33 - 8.15 PM**



Present:

Councillors Allen (Chairman), McCracken, McLean and Thompson

Also Present:

Councillors McCracken

Apologies for absence were received from:

Councillor Heydon, Mrs Temperton and Worrall.

13. Apologies for Absence

Apologies were received from Councillors Heydon, Temperton and Worrall.

Councillor McCracken was acting as a substitute for Council Heydon.

14. Declarations of Interest

There were no declarations of interest.

15. Minutes - 29 June 2016

RESOLVED that the minutes of the meeting of the Committee held on 29 June 2016 be approved as a correct record and signed by the Chairman.

16. Urgent Items of Business

There were no urgent items of business.

17. External Audit: Audit Results Report

Helen Thompson of Ernst & Young introduced the Audit Results Report for the year ended 31 March 2016, which summarised the work carried out to discharge the statutory external audit responsibilities.

The 2015/16 audit was substantially complete and the Auditors expected to issue an unqualified opinion on the financial statements. No uncorrected misstatements had been identified and the audit results overall demonstrated that the Council had prepared its financial statements to a high standard.

Three audit risks had been identified during the planning phase of the audit: a risk associated with the valuation of property, plant and equipment (PPE), a risk relating to Better Care Fund accounting and a risk of management override. Within the audit procedures, the controls relevant to each risk had been assessed and then tested, which had led to assurance being gained.

Members were reminded of the change in the regulations for the financial close arrangements from the 2017/18 financial year. The time table for the preparation and approval of accounts would be brought forward to a draft accounts deadline of 31 May and Audit deadline would be 31 July. Future Committee meetings would need to be scheduled to reflect the new timeframe. Progress reports would be brought to future meetings.

RESOLVED that the Committee **NOTED** the Audit Results Report.

18. **Financial Statement 2015/16**

The Committee considered a report of the Borough Treasurer presenting the draft 2015/16 Financial Statements, subjected to audit by the External Auditors, Ernst & Young. The report summarised the key elements within the accounts and the findings of the audit. The Treasurer reported that he had signed the draft Statement of Accounts on 26 May 2016 and copies of the draft Financial Statements had been circulated to all members for feedback.

The Committee noted that this was the eighteenth consecutive year that the Council had spent within its budget.

The Committee noted the most significant variances which included an underspend on Waste disposal and a transfer into the Structural Changes Reserve and Transformation Reserve to fund the Council's Transformation Programme. It was also reported that General Fund Balance stood at £12.730m as of 31 March 2016, and £30m had been maintained in the Earmarked Reserves.

The Committee were informed that although the Vodaphone Business Rates Appeal had been resolved and refunds made, there was a separate issue still ongoing regarding Vodaphone's application to be put on the Central Business Rate's list. This was currently with the Minister to determine.

RESOLVED that the Committee:

1. Approves the Financial Statements for 2015/16 attached at Annexe A;
2. Authorises the Chairman of the meeting to sign and date the Statement of Accounts on behalf of the Committee;
3. Authorises the Chairman of the meeting to sign and date the Letter of Representation set out in Annexe B.

19. **Review of Constitution - Standards**

The Committee considered a report which recommended changes to the Constitution relating to the Council's Standards Framework for approval by Council.

A Standards Framework Working Group was set up and met on three occasions between May and July 2016. It considered a report from the Borough Solicitor, which set out proposals for changes to the Standards Framework. These changes were agreed at the final meeting, subject to amendments, on the 6 July 2016.

The report covered the proposed the dissolution of the Standards Committee and an adoption of revised terms of references for Governance and Audit Committee to include Standard Issues. It also proposed an amended procedure for dealing with

Councillor Code of Conduct Complaints and sought approval for a procedure for dealing with dispensation requests by Councillors.

The Committee commented that they would benefit from an organisational diagram to show the procedure for dealing with Councillor Code of Conduct complaints.

The Independent Person would not be a voting member of the Panel, but it is a statutory requirement that they would be present at the hearing to advise the panel. A pool of Independent Members was currently being sought which would include two representatives from Town and Parishes.

The Committee asked for the following amendments to be made in Appendix B, Recommended Arrangements for Dealing with Councillor Code of Conduct Complaints:

- The use of “they” instead of “he/she” to be consistent throughout the report.
- 2.2 be amended to include “Voting Members” for the Quorum of the Hearing Panels.

Subject the aforementioned amendments it was **RESOLVED** that the Committee agreed the following recommendations for Full Council approval:

1. Agree to the dissolution of the Standards Committee and to the adoption of revised terms of reference of the Governance & Audit Committee to include consideration of Standards issues as set out in Appendix A
2. Approve the procedure for dealing with Councillor Code of Conduct complaints as set out in Appendix B
3. Approve the procedure for dealing with dispensation requests by Councillors who would otherwise be prevented from participating at meetings of the Council, Executive or Committee due to the existence of an Affected or Disclosable Pecuniary Interest as set out in Appendix C
4. Delegate to the Borough Solicitor the authority to make appropriate amendments to the constitution so as to give effect to its decisions in respect of (a), (b) and(c) above
5. Appoint David St John to fill the Independent Member vacancy on the Governance & Audit Committee arising from the resignation of the previous incumbent

20. **Review of Constitution - Planning**

The Committee considered a report recommending changes to the Constitution for approval by Council.

The report covered proposed changes that were suggested following a review of procedures for Planning Applications and Enforcement undertaken by Environment, Communities & Culture Overview and Scrutiny Panel and subsequently endorsed by the Executive. There had been seventeen recommendations made by the Overview and Scrutiny Panel but only two of the recommendations required Constitutional amendments, with the other recommendations being dealt with by the Chief Officer: Planning, Transport and Countryside.

The proposed changes would ensure that the Planning Committee would determine applications which had the highest level of public interest, ensuring effective use of the Committees time, and that the Planning Committee would determine applications made by Officers and Councillors who are involved with the planning process. This would ensure that planning applications would be considered in public with appropriate levels of public scrutiny and transparency.

The Committee requested the following amendment to be made to the Appendix under 2. Protocol for Members dealing with Planning Matters:

- “and above” to be included in the planning application submitted by a Council Chief Officer. This would ensure that Directors and Chief Executives were included and avoid any confusion that could occur.

Subject the aforementioned amendment it was **RESOLVED** that the Committee agreed the following recommendations for Full Council approval:

1. The Delegations of Chief Officer: Planning, Transport and Countryside set out in the Appendix to the report.
2. The protocol for Members in Dealing with Planning Matters Set out in the Appendix to the report.

21. **Any Other Business**

The Chairman thanked Alan Nash for all his service and hard work over the years and wished him well with his impending retirement.

CHAIRMAN