

It is recommended that Appendix A is considered as an exempt/confidential matter and that the press and public are excluded under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985 for the following reasons:

- Exempt information is defined in section 1001 and, by reference, Schedule 12A of the Local Government Act 1972. To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of Schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information.

- Appendix A contains information relating to the financial or business affairs of the Council and those of a commercial operator which therefore falls into paragraph 3 of the categories listed in Schedule 12A.

Although there is a public interest favouring public access to local authority meetings, given the legally and commercially sensitive information contained in Appendix A the public interest in maintaining the exemption outweighs the public interest in disclosing the (exempt) information.

Agenda item: 17

Title of meeting: Governance & Audit & Standards
Informal Cabinet (For Information)

Subject: SCLL Internal Audit Report

Date of meeting: 27th June 2013

Report by: Head of Finance & Section 151 Officer

Wards affected: St Judes & Eastney and Craneswater

1. Requested by

1.1 This report has been requested by the City Solicitor & Monitoring Officer and the Section 151 Officer.

2. Purpose

2.1 To update Members on any progress made by Southsea Community Leisure Limited (SCLL) in addressing the issues and concerns raised in an earlier audit carried out in August 2012

3. Recommendations

3.1 It is recommended that:

Given a number of improvements are still to be implemented and those which have been cannot yet be assumed to be embedded a further follow-up audit is undertaken in the autumn of 2013.

4. Information Requested

4.1 In 2012 Internal Audit were asked by the City Solicitor & Monitoring Officer and the Section 151 Officer to review a number of the financial records and supporting systems in operation at SCLL. The purpose of the review was to ensure that public funds, by means of a loan from PCC, were being used appropriately and that value for money in the use of these funds is being achieved.

4.2 At the conclusion of this review an action plan to address identified weaknesses was agreed between PCC and SCLL and as a result a second audit was carried out in February 2013 to ascertain any progress made. The results of this second visit are detailed in the attached Exempt Appendix A.

5. Conclusion

5.1 The conclusions drawn from this review are that there has been an overall improvement in both the internal control framework and the implementation of those controls. There still remain a number of areas that require improvement and recommendations have been made by Internal Audit and agreed with the management of SCLL.

5.2 On balance, limited assurance only, can be given that SCLL is using public funds appropriately and that value for money, for the areas reviewed during this audit is being achieved.

6. Equality impact assessment (EIA)

6.1 An equality impact assessments is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010.

7. City Solicitor's comments

7.1 Central to the role of the S151 Officer is the need to ensure effective stewardship of public money and value for money in its use. This report helps to fulfil that role in providing information to Members on SCLL and its operation of the Pyramids on behalf of the Council.

8. Head of Finance's comments

8.1 The comments of the Head of Finance are incorporated into the body of this report.

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Signed by Head of Finance & Section 151 Officer

Appendices:

Appendix A - Exempt Internal Audit Follow-up Report February 2013.

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Working Papers/ emails	Internal Audit
Financial/ personnel/ operational records	SCLL