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# NOTICE OF MEETING

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## GOVERNANCE & AUDIT & STANDARDS COMMITTEE

FRIDAY, 1 JULY 2016 AT 2.30 PM

## CONFERENCE ROOM A - CIVIC OFFICES

Telephone enquiries to 023 9283 4058  
Email: Vicki.plytas@portsmouthcc.gov.uk

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### Membership

Councillor Ian Lyon (Chair)  
Councillor Scott Harris (Vice-Chair)  
Councillor John Ferrett  
Councillor Frank Jonas  
Councillor Leo Madden  
Councillor Hugh Mason

### Standing Deputies

Councillor Jennie Brent  
Councillor Ken Ellcome  
Councillor Stephen Morgan  
Councillor Darren Sanders  
Councillor David Tompkins  
Councillor Matthew Winnington  
Councillor Rob Wood

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(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: [www.portsmouth.gov.uk](http://www.portsmouth.gov.uk)

**Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendation/s). Email requests are accepted.**

## AGENDA

- 1 Apologies for Absence

**2**      **Declarations of Members' Interests**

**3**      **Minutes of the meeting held on 11 March 2016** (Pages 1 - 10)

**RECOMMENDED** that the minutes of the meeting held on 11 March 2016 be confirmed and signed by the Chair as a correct record.

**4**      **Updates on actions identified in the minutes of the last meeting**

**5**      **Notice of Motion referral from Council Meeting held on 9 February 2016 concerning cancellation of meetings.** (Pages 11 - 12)

**RECOMMENDED** that the Committee consider and report back to Council the Committee's response to the Notice of Motion referral regarding cancellation of meetings (attached).

**6**      **Items from External Auditor, Ernst & Young - PCC Progress Report-July 2016 final and Audit and Certification Fee Letter 2016 to 17** (Pages 13 - 28)

The 2015-16 Progress Update will be presented by Ernst & Young for information.

The 2016/17 Fee Letter is for noting.

**7**      **External Audit Arrangements after 2017/18** (Pages 29 - 34)

The purpose of the report is to explain the latest position in relation to the requirement in the Local Audit and Accountability Act 2014 for the Council to eventually appoint its own auditor.

**RECOMMENDED** that the committee supports in principle the proposal that we ask **Public Sector Audit Appointments Ltd (PSAA)** to assist with the appointment of an external auditor for the 2018/19 and subsequent accounts.

**8**      **Recruitment of Independent Persons** (Pages 35 - 38)

The purpose of the report is to consider the issues and procedure for the appointment of an additional Independent Person, pursuant to the provisions of Section 28 of the Localism Act 2011.

**RECOMMENDED**

**(1) That Governance & Audit & Standards Committee recommend that Council**

**(i) re-appoints the existing Independent Persons for one year until May 2017**

**(ii) Agrees to increase the number of Independent Persons who can be appointed from 3 to 4**

**(2) That Governance & Audit & Standards Committee agree that**

**(i) Portsmouth City Council advertise for suitable applicants to fill the role/s of an Independent Person/s**

**(ii) An interviewing panel comprising three cross party group members of Governance and Audit and Standards Committee refer the appointments of the successful candidates to Council for approval (through the Committee)**

**(iii) Consideration is given to pay an allowance to each Independent Person in a sum agreed**

**9 Political Balance Rules (Pages 39 - 40)**

The purpose of the report is to ask the Committee to consider whether it wishes to disapply the political balance rules in respect of its Sub-Committees which consider complaints against Members and to agree that the same rule shall apply to the Initial Filtering Panel.

**RECOMMENDED that the political balance rules are disappplied in respect of Governance and Audit and Standards Sub-Committees which are considering complaints against Members and also the same arrangement should apply in respect of Initial Filtering Panel membership.**

**10 Directorate performance baselines report (Pages 41 - 122)**

The appendix to the report that had been marked "to follow" is now attached.

The purpose of the report is to present a summary of directorate functions, activities, measures, projects and risks to Governance and Audit and Standards committee (GAS), as the basis for ongoing monitoring throughout 2016/17.

**RECOMMENDED that the Committee are asked to:**

- 1) Note the report and attached summaries at Appendix 1**
- 2) Agree to receive quarterly updates based on these baseline position statements, with a focus on exception items**

**11 Annual Internal Audit Report for the 2015/16 Financial Year (including advising Members of the Audit Plan for 2016/17 and providing a summary of the Counter Fraud cases investigated and sanction results. (Pages 123 - 146)**

The purpose of the report is

- (1) To give the Annual Audit Opinion on the effectiveness of the control framework, based on the Internal Audit findings for 2015/16 and highlight areas of concern.
- (2) To advise Members of the Audit Plan for 2016/17.
- (3) To provide a summary of the Counter Fraud cases investigated and sanction results.

**RECOMMENDED that Members**

- (1) Note the Audit and Counter Fraud Performance for 2015/16**
- (2) Note the highlighted areas of control weakness from the 2015/16 Audit Plan**
- (3) Note the Annual Audit Opinion on the effectiveness of the system of internal control for 2015/16.**
- (4) Endorse the Audit Plan for 2016/17**
- (5) Consider any additional actions to be taken in response to matters raised within this report relating to the reviews undertaken.**

**12 Proposed amendments to the Arrangements for the Assessment, Consideration and Investigation of Complaints against Councillors (Pages 147 - 164)**

The purpose of the report is to allow members to consider proposed arrangements for the consideration and investigation of complaints against members.

**RECOMMENDED that the Committee is asked to consider and recommend to Council the following amendments to the process:**

- (1) Agree that all members of Council may be asked to sit on Sub-Committees of Governance Audit and Standards Committee and the Initial Filtering Panel when they are considering complaints that members have breached the Code of Conduct.**
- (2) Approve the amended Arrangements for Assessment, Investigation and Determination of Complaints attached at Appendix 1 to this report.**
- (3) Approve the amended Complaint Form attached at Appendix 2 to this report.**

**13 Exclusion of Press and Public**

**(NB The appendices to the Procurement Management Information Report are exempt so if members wish to discuss these, they will need to pass the resolution below)**

**That in view of the contents of the following item on the agenda the Committee is RECOMMENDED to adopt the following motion:  
“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of the following item on the grounds that the appendices contain information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972”.**

**The public interest in maintaining the exemption must outweigh the public interest in disclosing the information.**

**Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012, regulation 5, the reasons for exemption of the listed items is shown below.**

**Members of the public may make representation as to why the appendices should be held in open session. A statement of the Council’s response to representations received will be given at the meeting so that this can be taken into account when members decide whether or not to deal with the appendices under exempt business.**

**(NB The exempt/confidential committee papers on the agenda will contain information which is commercially, legally or personally sensitive and should not be divulged to third parties. Members are reminded of standing order restrictions on the disclosure of exempt information and are invited to return their exempt documentation to the Senior Local Democracy Officer at the conclusion of the meeting for shredding.)**

<b>Item</b>	<b>Exemption Para No.*</b>
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<b>14 Procurement Management Information Report- Exempt Appendices 1, 2, 3 and 4</b>	<b>3</b>
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**3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)**

**14 Procurement Management Information Report (Pages 165 - 172)**

The purpose of this quarterly report is to update the Committee on steps being taken to demonstrate that PCC is achieving value for money from its contracts for goods and services.

**RECOMMENDED that Members**

**(1) Note that purchase order compliance for April 2016 was 98%**

**against the target of 95%**  
**(2) Note the performance of our suppliers and contractors and actions in progress to address poor performance**

**Information**

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.