

# NOTICE OF MEETING

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## GOVERNANCE & AUDIT & STANDARDS COMMITTEE

FRIDAY, 26 JULY 2019 AT 4.00 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Joanne Wildsmith, Democratic Services Tel: 023 9283 4058

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If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

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### Membership

Councillor Leo Madden (Chair)  
Councillor Simon Boshier (Vice-Chair)  
Councillor John Ferrett  
Councillor Hugh Mason  
Councillor Judith Smyth  
Councillor Neill Young

### Standing Deputies

Councillor Matthew Atkins  
Councillor Ben Dowling  
Councillor Graham Heaney  
Councillor Donna Jones  
Councillor Terry Norton  
Councillor Chris Attwell

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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 Previous Meeting - 8 March 2019 (Pages 7 - 18)**

**RECOMMENDED that the minutes of the meeting held on 8 March 2019 be approved as a correct record to be signed by the Chair.**

**4 External Annual Audit Report for 2018/19 (Pages 19 - 70)**

The External Auditor will give a verbal update on the areas of ongoing work which are reflected in the report.

Portsmouth City Council's Audit Results are for noting.

**5 Annual Internal Audit Performance Status Report for 2018-19 Audit Plan and Annual Opinion (Pages 71 - 116)**

The report by the Chief Internal Auditor is to update the Governance and Audit and Standards Committee on the Internal Audit Performance for 2018/19 against the Annual Audit Plan, highlight areas of concern and areas where assurance can be given on the internal control framework.

In addition to this the Annual Opinion on the effectiveness of the Internal Control Environment is provided in the attached Appendix C. This opinion feeds into the Annual Governance Statement and is a requirement of the Local Government Act 1999 and the Public Sector Internal Audit Standards.

**RECOMMENDED:**

**(1) That Members note the Audit Performance for 2018/19 to 5th July 2019.**

**(2) That Members note the highlighted areas of control weakness from the 2018/19 Audit Plan.**

**(3) That members note the Annual Audit Report and Opinion for 2018/19.**

**6 Annual Governance Statement (Pages 117 - 156)**

The report by the Corporate Performance Manager seeks approval from the Governance and Audit and Standards Committee for the council's Annual Governance Statement (AGS) for 2018/19.

**RECOMMENDED that the Governance and Audit and Standards Committee:**

- (1) Agrees the Annual Governance Statement 2018/19 (Appendix 1)**
- (2) Approves the refreshed Local Code of Governance (as set out in Appendix 2).**

**7 Annual statement of accounts (Pages 157 - 324)**

The report by the Director of Finance and Section 151 Officer is for the consideration of the Statement of Accounts for 2018-19.

**RECOMMENDED that:**

- (1) That the Statement of Accounts be approved;**
- (2) That authority be delegated to the Chair of the Governance and Audit and Standards Committee to sign an amended 2018/19 Statement of Accounts after 26 July should this be required following comments by the auditor.**

**8 Treasury Management Outturn Report for 2018/19 (Pages 325 - 340)**

The purpose of the report by the Director of Finance and Section 151 Officer is to inform members and the wider community of the Council's treasury management activities in 2018/19 and of the Council's treasury management position as at 31 March 2019.

**RECOMMENDED that the actual prudential and treasury management indicators based on the unaudited accounts, as shown in Appendix B, be noted (an explanation of the prudential and treasury management indicators is contained in Appendix C).**

**9 Treasury Management Monitoring report for First Quarter of 2019-20 (Pages 341 - 352)**

The purpose of the report by the Director of Finance and Section 151 Officer is to inform members and the wider community of the Council's Treasury Management position, ie. its borrowing and cash investments at 30th June 2019 and of the risks attached to that position.

Whilst the Council has a portfolio of investment properties and some equity shares which were acquired through the capital program; these do not in themselves form part of the treasury management function. The performance of the investment property portfolio was reported to the Cabinet on 9th October 2018.

**RECOMMENDED that the following be noted:**

- (1) That there have been no breaches of the Treasury Management Policy 2019/20 in the period up to 30th June 2019.**

**(2) That the actual Treasury Management indicators as at 30th June 2019 set out in Appendix A be noted.**

**10 Regulation of Investigatory Powers Act 2000 (RIPA) (Pages 353 - 394)**

The report by the Chief Internal Auditor seeks to update Members on the Authority's use of Regulatory Powers for the period from 29th January 2016 to 5th July 2019 and the changes required to the Policy. (The proposed changes to the policy are highlighted in Appendix A.)

**RECOMMENDED that Members of the Governance and Audit and Standards Committee:**

**(1) Note that there have not been any RIPA applications authorised since the last report to this Committee on the 29th January 2016;**

**(2) Approve the required changes detailed under section 6, which have been made following the introduction of new Codes of Practice and Guidance and changes key in personnel.**

**11 Disapplication of Political Balance rules in relation to members complaints sub committees (Pages 395 - 396)**

The report by the City Solicitor asks 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.**

**12 Performance Management Update - Quarter 4 2018-19 (Pages 397 - 430)**

The purpose of the report by the Corporate Performance Manager is to report significant performance issues, arising from Quarter 4 performance monitoring, to Governance and Audit and Standards committee and highlight areas for further action or analysis.

**RECOMMENDED that the Governance and Audit and Standards Committee is asked to:**

**(1) note the report in the revised format;**

**(2) agree if any further action is required in response to performance issues highlighted.**

**13 Call-in Rules/Procedures - request for a report**

Under Standing Order 56, Councillor Simon Boshier has requested that an item come to Governance & Audit & Standards Committee.

Councillor Simon Boshier requests that the following elements of the Council's Call-in rules and by extension process, be reviewed:

- 1) A suitable time limit is in place for which Scrutiny Management to consider the call in
- 2) The subject decision of the Cabinet/Portfolio Holder should not be implemented until such time as the call in has been properly considered
- 3) The nature of a call in can be a lengthy meeting and perhaps should be the subject of a special meeting and not included on the agenda of a scheduled meeting.
- 4) If a call in is successful and the subject report is referred back to Cabinet for reconsideration, the original unaltered report should not be the subject for reconsideration.

Note: Any changes to amend the Constitution would require recommendation to full Council for approval.

**The Governance & Audit & Standards Committee is asked to consider this request from Councillor Boshier.**

#### **14 Dates of future meetings**

Members are asked to agree the following meeting dates and times:

Friday 20<sup>th</sup> September (at 4pm or earlier?)

29<sup>th</sup> November

6<sup>th</sup> March 2020

#### **15 Exclusion of Press and Public**

**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 to the report 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 appendices are shown below.

(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 Local Democracy Officer at the conclusion of the meeting for shredding.)

Item	Exemption Para No.*
16 . Procurement Management Information (Exempt Appendices 4 and 5 only)	3

\*3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

## **16 Procurement Management Information (Pages 431 - 464)**

The information report by the Director of Finance seeks to provide evidence to allow the committee to evaluate the extent that Portsmouth City Council is achieving value for money in its contracts for goods, services and works.

(Appendices 4 & 5 contain exempt information)

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