



# NOTICE OF MEETING

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## GOVERNANCE & AUDIT & STANDARDS COMMITTEE

FRIDAY, 20 NOVEMBER 2020 AT 2.00 PM

### VIRTUAL REMOTE MEETING - REMOTE

Telephone enquiries to 023 9283 4058

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#### Membership

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

#### Standing Deputies

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

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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

A written deputation stating to which agenda decision item it refers must be received by the officer named at the top of the agenda **by 12 noon two working days preceding the meeting.** Any written deputation received by email will be sent to the Members on the relevant decision making body and be referred to and read out at the meeting within permitted time limits

### AGENDA

#### 1 Apologies for Absence

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

**3**      **Minutes of the meetings held on 3 March and 25 September 2020** (Pages 7 - 26)

**RECOMMENDED** that the minutes of the meetings held on 3 March 2020 and 25 September 2020 each be approved and signed by the Chair as a correct record.

**4**      **2019/20 Audit Results Report** (Pages 27 - 86)

Portsmouth City Council's Audit Results - for noting.

**5**      **Annual Governance Statement** (Pages 87 - 108)

The purpose of the report is to seek approval from the Governance and Audit and Standards Committee for the council's Annual Governance Statement (AGS) for 2019/20.

**RECOMMENDED** that the Committee is asked to agree the Annual Governance Statement 2019/20 (Appendix 1)

(to be signed off before the Statement of Accounts)

**6**      **Risk and assurance management policy** (Pages 109 - 120)

The purpose of the report is to present the council's risk and assurance management policy to the Governance and Audit and Standards Committee for approval.

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

- 1)            **Approve the attached Risk and Assurance Management Policy**
- 2)            **Agree to review the risk management policy in November 2022, including risks current at the time and lessons learnt over the previous year**

**7**      **Annual Statement of Accounts 2019/2020** (Pages 121 - 308)

The purpose of the report is to consider the Statement of Accounts for 2019/20.

## RECOMMENDED

- (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 2019/20 Statement of Accounts after 20<sup>th</sup> November should this be required following comments by the auditor

### 8 Treasury Management Mid-Year Review (Pages 309 - 322)

The purpose of the report is to inform members and the wider community of the Council's Treasury Management position, ie. its borrowing and cash investments at 30<sup>th</sup> September 2020 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 programme; these do not in themselves form part of the treasury management function

#### RECOMMENDED to note

- (1) That the Council's Treasury Management activities have remained within the Treasury Management Policy 2020/21 in the period up to 30<sup>th</sup> September 2020.
- (2) The actual Treasury Management indicators as at 30<sup>th</sup> September 2020 set out in Appendix A.

### 9 PCC companies - Shareholder Committee terms of reference (Pages 323 - 358)

The report originally marked "to follow" was published on 13 November.

#### Purpose

In accordance with the Cabinet meeting of 26 March 2020 and the recommendation... *the City Solicitor prepares and drafts a protocol - by the Governance and Audit Committee as a reference and guide for the overall corporate governance structure (i.e. company structure and board composition) relating to PCC owned companies and incorporated within the PCC's constitution.*

This report sets out the detail and terms of reference to be included within the constitution and adopted by the to be incorporated Shareholder Committee

#### RECOMMENDED

- (1) Approve the Shareholder Committee terms of reference at appendix A and delegate to the City Solicitor they are incorporated within the Council's constitution; and
- (2) Note the Local Government Lawyer best practice guidance (at appendix B) and delegation provided to the City Solicitor to work with all PCC owned companies to ensure the necessary constitutional changed and guidance is on boarded by the Shareholder Committee post incorporation

### 10 Compliance with Gifts & Hospitality protocol (Pages 359 - 380)

The purpose of the report is to update Members on any issues regarding compliance with Gifts & Hospitality protocol and to advise on remedies.

**RECOMMENDED that**

- (1) **The Committee considers whether or not to make any recommendations for change.**
- (2) **In the absence of any changes, the report is noted.**

- 11 Internal Audit Performance Status Report to 6 November 2020.** (Pages 381 - 408)

The purpose of the report is to update the Governance and Audit and Standards Committee on the Internal Audit Performance for 2020/21 to 6<sup>th</sup> November 2020 against the Annual Audit Plan, highlight areas of concern and areas where assurance can be given on the internal control framework.

**RECOMMENDED that Members note the Audit Performance and results for 2020/21 to 6<sup>th</sup> November 2020.**

- 12 Consideration of the political balance rules in relation to the constitution of Sub-Committees considering complaints against Members.** (Pages 409 - 410)

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 disapplied 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.**

- 13 Data Security Breach Report** (Pages 411 - 426)

The purpose of the report is to inform the Committee of any Data Security Breaches and actions agreed/taken since the last reporting period along with an analysis over the year for the period November 2019 to October 2020.

**RECOMMENDED that Members of the Governance & Audit & Standards Committee note the breaches (by reference to Appendix A) that have arisen and the action determined by the Corporate Information Governance Panel (CIGP).**

- 14 Exclusion of Press and Public**

In view of the contents of the appendices to 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 contains 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 asked to dispose of exempt documentation as confidential waste at the conclusion of the meeting.**

<b>Item</b>	<b>Exemption Para No.*</b>
<b>15. Procurement Management Information (Exempt Appendices 1, 2 and 3)</b>	<b>3</b>
<b>*3. Information relating to the financial or business affairs of any particular person (including the authority holding that information</b>	
<b>15 Procurement Management (information only) (Pages 427 - 438)</b>	

The purpose of the report is to provide evidence to allow the committee to evaluate the extent that Portsmouth City Council is producing contracts for goods, works and services in a legally compliant value for money basis.

The report is for noting.

This meeting is webcast (videoed), viewable via the Council's livestream account at <https://livestream.com/accounts/14063785>