
NOTICE OF MEETING

GOVERNANCE & AUDIT & STANDARDS COMMITTEE

WEDNESDAY, 25 JANUARY 2023 AT 10.00 AM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

Telephone enquiries to James Harris on 023 9260 6065

Email: james.harris@portsmouthcc.gov.uk

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

Membership

Councillor Leo Madden (Chair)
Councillor Dave Ashmore
Councillor Stuart Brown
Councillor Judith Smyth
Councillor Benedict Swann
Councillor Daniel Wemyss

Standing Deputies

Councillor Simon Boshier
Councillor Graham Heaney
Councillor Ian Holder
Councillor Mark Jeffery
Councillor Abdul Kadir
Councillor Scott Payter-Harris
Councillor John Smith

(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

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.

Public health guidance for staff and the public due to Winter coughs, colds and viruses, including Covid-19

- Following the government announcement 'Living with Covid-19' made on 21 February and the end of universal free testing from 1 April, attendees are no longer required to undertake any asymptomatic/ lateral flow test within 48 hours of the meeting; however, we still encourage attendees to follow the public health precautions we have followed over the last two years to protect themselves and others including vaccination and taking a lateral flow test should they wish.
- We strongly recommend that attendees should be double vaccinated and have received any boosters they are eligible for.
- If unwell we encourage you not to attend the meeting but to stay at home. Updated government guidance from 1 April advises people with a respiratory infection, a high temperature and who feel unwell, to stay at home and avoid contact with other people, until they feel well enough to resume normal activities and they no longer have a high temperature. From 1 April, anyone with a positive Covid-19 test result is still being advised to follow this guidance for five days, which is the period when you are most infectious.
- We encourage all attendees to wear a face covering while moving around crowded areas of the Guildhall.
- Although not a legal requirement, attendees are strongly encouraged to keep a social distance and take opportunities to prevent the spread of infection by following the 'hands, face, space' and 'catch it, kill it, bin it' advice that protects us from coughs, colds and winter viruses, including Covid-19.
- Hand sanitiser is provided at the entrance and throughout the Guildhall. All attendees are encouraged to make use of hand sanitiser on entry to the Guildhall.
- Those not participating in the meeting and wish to view proceedings are encouraged to do so remotely via the livestream link.

AGENDA

1 Apologies for Absence

2 Declarations of Members' Interests

3 Minutes of the Meeting held on 23 November 2022 (Pages 7 - 12)

RECOMMENDED that the minutes of the meeting held on 23 November 2022 be approved and signed by the Chair as a correct record.

4 Contract Procedure Rules

Report to follow under separate cover.

Purpose

The purpose of this report is to seek approval to replace the Council's current Contract Procedure Rules ("CPRs").

Adopting the revised rules will help ensure that the Council is able to more effectively and proportionally discharge its procurement function in readiness for the forthcoming legislative procurement reforms. The revised rules will also provide a dynamic platform from which to implement existing and future locally led policy within the Council's procurement practices.

If endorsed by the committee, the revised CPR's would be recommended to Full Council for approval as it would be an amendment to Part 3A of the Council's Constitution.

5 Treasury Management Monitoring Report for the Third Quarter of 2022/23 (Pages 13 - 22)

Purpose

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 31st December 2022 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.

Recommendations

It is recommended that the following be noted:

- (i) The Council's Treasury Management activities in the period up to 31 December 2022 set out in Appendix A; and**
- (ii) The actual Treasury Management indicators as at 31st December 2022 set out in Appendix A.**

6 Internal Audit Performance Status Report to 10th January 2023 (Pages 23 - 38)

Purpose

The purpose of this report is to update the Governance and Audit and Standards Committee on Internal Audit Performance for 2022/23 to 10th January 2023 against the Annual Audit Plan, highlight areas of concern and areas where assurance can be given on the internal control framework..

Recommendation

Recommended that the Governance, Audit & Standards Committee notes:

- (i) the Audit Performance for 2022-23 to 10th January 2023; and**

- (ii) **the highlighted areas of concern in relation to audits completed from the 2022/23 Audit Plan, including follow up work performed.**

7 Whistleblowing Annual Report and Policy (Pages 39 - 50)

Purpose

The purpose of this report is to update members of this Committee on the nature and handling of any whistleblowing concerns which have been raised for the period January 2022 to December 2022. In addition to this to confirm that, following the annual review of the whistleblowing policy, there are no current proposed changes, since those agreed at the January 2022 committee meeting.

Recommendation

RECOMMENDED that Members of the Committee:

- (i) **Note this report and the attached Appendix A and consider whether any further action is required; and**
- (ii) **Note the whistleblowing policy, Appendix B, where there are no proposed changes.**

8 Report to Governance & Audit & Standards Committee on complaints received into alleged breaches of the Code of Conduct by Members of the Council for the calendar year 2022 (Pages 51 - 54)

Purpose

The purpose of the report is to update Members of the Committee in relation to complaints which have been progressed within the calendar year 2022 and which allege that Councillors may have breached the Code of Conduct.

Recommendations

- (i) **It is recommended that Members of the Committee note the report;**
- (ii) **It is recommended that Members of the Committee consider whether any further action is required by them; and**
- (iii) **It is recommended that Members of the Committee place on record their thanks to the Independent Persons.**

9 Consideration of the political balance rules in relation to the constitution of Sub-Committees considering complaints against Members (Pages 55 - 56)

Purpose

The Committee is asked to consider whether it wishes to continue 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.

Recommendation

It is 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.

Members of the public are permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting nor 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.

Whilst every effort will be made to webcast this meeting, should technical or other difficulties occur, the meeting will continue without being webcast via the Council's website.

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

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Agenda Item 3

GOVERNANCE & AUDIT & STANDARDS COMMITTEE

MINUTES OF THE MEETING of the Governance & Audit & Standards Committee held on Wednesday, 23 November 2022 at 2.00 pm at the Council Chamber - The Guildhall, Portsmouth

(NB These minutes should be read in conjunction with the agenda for the meeting which can be found at www.portsmouth.gov.uk.)

Present

Councillor Leo Madden (in the chair)

Councillor Dave Ashmore
Councillor Stuart Brown
Councillor Judith Smyth
Councillor Robert New

Officers

Peter Baulf, City Solicitor
Elizabeth Goodwin, Chief Internal Auditor
Richard Lock, Procurement Manager
Kelly Nash, Corporate Performance Manager
Julian Pike, Deputy Director of Finance & S151 Officer

45. Apologies for Absence (AI 1)

Apologies for absence were received from Councillor Benedict Swann and Councillor Daniel Wemyss

Councillor Scott Payter-Harris was in attendance as a Standing Deputy for Councillor Swann and Councillor Robert New was present as a Standing Deputy for Councillor Wemyss.

The Chair highlighted that Councillor Robert New was not a formally appointed Standing Deputy for the committee. As the meeting was not making any formal decisions, the City Solicitor confirmed that on balance he was happy for Councillor New to participate in the meeting.

46. Declarations of Members' Interests (AI 2)

There were no declarations of interest.

47. Minutes of the meeting held on 29 September 2022 and the special meeting held on 27 October 2022 (AI 3)

The minutes of the meeting held on 29 September 2022 and the special meeting held on 27 October 2022 were confirmed and signed as correct records.

48. Health & Wellbeing Board Constitution (AI 4)

(TAKE IN REPORT)

Kelly Nash, Corporate Performance Manager, introduced the report which sought approval for proposed changes to the constitution for the Health and Wellbeing Board

The Health & Wellbeing Board had requested the changes to its constitution, for support by Governance, Audit and Standards Committee and approval by Full Council, to improve its effectiveness as it fulfilled its leadership role across the health and wellbeing system locally.

The Corporate Performance Manager explained that a report seeking further amendments to the Health & Wellbeing Board Constitution would be considered in the near future now that the wider governance arrangements were known.

In response to comments made by the committee the Corporate Governance Manager confirmed that the use of the terms 'Chair' and 'Chairman' would be amended and regularised to 'Chair' in paragraph 3.1 of the Terms of Reference.

A member of the committee referred to the 'Aims' section and suggested it be amended to detail overarching strategic aims such as 'To improve the health and wellbeing of people in Portsmouth' rather than solely comprising a list of tasks.

The Corporate Governance Manager agreed to refer the comments made about the 'Aims' section under paragraph 1 of the document back to the Health and Wellbeing Board for consideration at the next review.

RESOLVED that the Governance & Audit & Standards Committee supported the changes to the constitution for the Health and Wellbeing Board set out within the report and recommend these changes to Council.

49. Treasury Management Mid-Year Review 2022/23 (AI 5)

(TAKE IN REPORT)

Julian Pike, Deputy Director of Finance & S151 Officer, introduced the report which informed members of the Council's Treasury Management position, namely its borrowing and cash investments at 30 September 2022 and of the risks attached to that position.

He confirmed that the council's treasury management activities had remained in line with the Treasury Management Policy and that at Quarter 2, higher than forecast cash balance and increases in interest rates had realised a £2.5m improvement from the original budget forecast position.

He also provided an overview of the urgent report considered by Cabinet on 22 November 2022 titled 'Treasury Management Investments - Environmental, Social & Governance Considerations'. The checks performed on financial institutions prior to investing included four which related to 'human capital' and were applied to the financial institution itself, rather than the state in which the institution was domicile.

An additional process would be included in the 2023/24 Treasury Management Policy to identify institutions which had significant influence or control by the state in which it was domicile. Investments would not be made if that state had a poor human rights record.

The committee thanked the Deputy Director of Finance & S151 Officer for the update and commended the approach going forward in respect of the additional check to ensure that investments made by the council were ethical.

RESOLVED that the Governance & Audit & Standards Committee NOTED

- (i) That the Council's Treasury Management activities had remained within the Treasury Management Policy 2022/23 in the period up to 30 September 2022; and**
- (ii) The actual Treasury Management indicators as at 30 September 2022 set out in Appendix A.**

50. Internal Audit Performance Status Report to 8 November 2022 (AI 6)

(TAKE IN REPORT)

Elizabeth Goodwin, Chief Internal Auditor, introduced the report which updated the committee on the Internal Audit Performance for 2022/23 to 8 November 2022 against the Annual Audit Plan, highlighted areas of concern and areas where assurance could be given on the internal control framework

In response to questions it was confirmed that:

- Further detail would be requested from the service in respect of the extension of the current gas service contract which had been listed as an amendment to the Audit Plan;
- In respect of the amount of retained CIL funds, it was acknowledged that this was partly due to the pandemic. Whilst a risk, it was something which was being monitored; and
- The medium risk exception detailed in respect of Disabled Facilities Grants related to a local land charge not being applied against a property. This anomaly had been picked up as part of the process review.

RESOLVED that the Governance & Audit & Standards Committee noted:

- (i) the Audit Performance for 2022-23 to 8 November 2022; and**
- (ii) the highlighted areas of concern in relation to audits completed from the 2022/23 Audit Plan, including follow up work performed.**

51. Compliance with Gifts & Hospitality Protocol (AI 7)

(TAKE IN REPORT)

Peter Baulf, City Solicitor, introduced the report which updated the committee on any issues regarding compliance with the Gifts & Hospitality protocol and to advise on remedies.

The City Solicitor confirmed that a high level of compliance had been demonstrated and no concerns had been raised.

During the discussion the committee raised two concerns, that of the value of the Fortnum and Mason hamper received by the Leader not being known and whether the invite to the Director of Portsmouth International Port to attend a cricket match at The Oval had been made to him in his capacity of Director of Portsmouth International Port or as Managing Director of Portico. The committee felt that the latter needed to be known for it to scrutinise such gifts effectively.

The committee believed that donating gifts to the Lord Mayor's Charity where their refusal would cause embarrassment was appropriate and suggested that gift value limits be increased in line with inflation.

In respect of the Fortnum and Mason hamper that had been gifted to the Leader, the Chairman confirmed that he would write to the Leader on behalf of the committee to convey its disappointment that the estimated value had not been disclosed.

RESOLVED that the report be NOTED.

52. Exclusion of Press and Public (AI 8)

The Chair advised that proceedings would be kept open until such time that the committee wished to discuss the exempt appendices to the following report:

- (i) Procurement Management Information**

At the conclusion of the consideration of the non-exempt report, the resolution to move into exempt session to consider the exempt appendices was passed and the committee entered exempt session. The committee had one question in respect of the exempt appendices which is detailed in the exempt minute.

53. Procurement Management Information (AI 9)

(TAKE IN REPORT)

Richard Lock, Procurement Manager, introduced the report which provided evidence to allow the committee to evaluate the extent that Portsmouth City Council was producing contracts for goods, works and services in a legally compliant value for money basis.

He advised the committee that compliance was above the 95% target across services and of the non-compliant transactions there were no concerns. In respect of contract awards via waiver there had been no high-risk waivers and there had been a significant reductions in medium and low risk waivers. In addition he advised that the KPI process was being overhauled as the current model needed to be made simpler.

The committee thanked the Procurement Manager for the much improved report layout, but raised a concern that 40% of contracts recorded on the InTend system did not have KPI reporting requirements applied to them.

RESOLVED that the committee NOTED the update report.

The meeting concluded at 3.33 pm.

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Councillor Leo Madden
Chair

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Agenda Item 5

Title of meeting:	Governance and Audit and Standards Committee
Date of meeting:	25 January 2023
Subject:	Treasury Management Monitoring Report for the Third Quarter of 2022/23
Report by:	Chris Ward, Director of Finance and Resources (Section 151 Officer)
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Executive Summary

This report outlines the Council's performance against the treasury management indicators approved by the City Council on 15 March 2022.

2. Purpose of report

The purpose of the report is to inform members and the wider community of the Council's Treasury Management position, i.e. its borrowing and cash investments at 31 December 2022 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.

3. Recommendations

It is recommended that the following be noted:

- 3.1 That the Council's Treasury Management activities in the period up to 31 December 2022 set out in Appendix A be noted.
- 3.2 That the actual Treasury Management indicators as at 31 December 2022 set out in Appendix A be noted.

4. Background

The Council's treasury management operations encompass the following:

- Cash flow forecasting (both daily balances and longer-term forecasting)
- Investing surplus funds in approved cash investments
- Borrowing to finance short term cash deficits and capital payments

- Management of debt (including rescheduling and ensuring an even maturity profile)

The key risks associated with the Council's treasury management operations are:

- Credit risk - i.e. that the Council is not repaid, with due interest in full, on the day repayment is due
- Liquidity risk - i.e. that cash will not be available when it is needed, or that the ineffective management of liquidity creates additional, unbudgeted costs
- Interest rate risk - that the Council fails to get good value for its cash dealings (both when borrowing and investing) and the risk that interest costs incurred are more than those for which the Council has budgeted
- Maturity (or refinancing risk) - this relates to the Council's borrowing or capital financing activities, and is the risk that the Council is unable to repay or replace its maturing funding arrangements on appropriate terms
- Procedures (or systems) risk - i.e. that a treasury process, human or otherwise, will fail and planned actions are not carried out through fraud or error

The treasury management budget accounts for a significant proportion of the Council's overall budget.

The Council's Treasury Management Policy aims to manage risk whilst optimising costs and returns. The Council monitors and measures its treasury management position against the indicators described in this report. Treasury management monitoring reports are brought to the Governance and Audit and Standards Committee for scrutiny.

The Governance and Audit and Standards Committee noted the recommendations to Council contained within the Treasury Management Policy 2020/21 on 04 March 2022. The City Council approved the Treasury Management Policy 2021/22 on 15 March 2022.

5. Reasons for Recommendations

To highlight any variance from the approved Treasury Management Policy and to note any subsequent actions.

To provide assurance that the Council's treasury management activities are effectively managed.

6. Integrated impact assessment

An integrated impact assessment is not required as the recommendations do not directly impact on service or policy delivery. Any changes made arising from this report would be subject to investigation in their own right

7. Legal Implications

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

8. Director of Finance and Resources (Section 151 Officer) comments

All financial considerations are contained within the body of the report and the attached appendices.

.....
Signed by Director of Finance and Resources (Section 151 Officer)

Appendices:

Appendix A: Treasury Management Monitoring Report

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
1 Treasury Management Records	Financial Services

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APPENDIX A**TREASURY MANAGEMENT MONITORING REPORT FOR THE THIRD QUARTER OF 2022/23****A1. SUMMARY OF TREASURY MANAGEMENT INDICATORS**

The City Council approved the authorised limit (the maximum amount of borrowing permitted by the Council) and the operational boundary (the maximum amount of borrowing that is expected) when it considered the budget on 15 February 2022. The Council's debt on 30 December was as follows:

Prudential Indicator	Limit £m	Actual £m
Authorised Limit - the maximum amount of borrowing permitted by the Council	1,009	744
Operational Boundary - the maximum amount of borrowing that is expected	995	744

The maturity structure of the Council's fixed rate borrowing was:

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
Minimum proportion of loans maturing	0%	0%	0%	0%	0%	0%	0%	0%
Maximum proportion of loans maturing	10%	10%	10%	20%	30%	40%	40%	40%
Actual proportion of loans maturing	1%	1%	4%	13%	15%	8%	31%	27%

The maturity structure of the Council's variable rate borrowing was:

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
Minimum proportion of loans maturing	0%	0%	0%	0%	0%	0%	0%	0%
Maximum proportion of loans maturing	10%	10%	10%	20%	30%	40%	40%	40%
Actual proportion of loans maturing	2%	2%	7%	11%	24%	26%	13%	15%

Surplus cash invested for periods longer than 365 days on 31st December 2022 was:

	Limit	Quarter 3 Actual
	£m	£m
Maturing after 31/3/2023	125	73
Maturing after 31/3/2024	50	27
Maturing after 31/3/2025	50	5

A2. GOVERNANCE

The Treasury Management Policy approved by the City Council on 15 March 2022 provides the framework within which treasury management activities are undertaken.

On Friday 02 December a £5m deposit was made which increased the total amount deposited with a counter party to £29m. The approved Treasury Management Policy limits deposits with this counterparty to a maximum of £26m in aggregate. Consequently, the Treasury Management deposit limit for this counter party was exceeded by £3m. Immediately following the trade being updated into the loans register later the same day, the error became apparent, and action was promptly taken to remedy the error by requesting, via the broker, the return of the £5m deposited. Consequently, the funds were returned to the Council on the next bank working day which was Monday 05 December.

A3. INTEREST RATE FORECASTS

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates.

The latest forecasts are shown below.

Link Group Interest Rate View 19.12.22													
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

PWLB is the Public Works Loans Board

On 03 November, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 75 basis points to 3.00%, and on 15 December moved rates up a further 50 basis points to 3.50%. The later increase reflected a split vote – six members voting for a 50 basis points increase, one for 75 basis points and two for none.

Link's central forecast for interest rates was most recently updated on 19 December and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases, but the Government's policy of emphasising fiscal rectitude will probably mean Bank Rate will not need to increase to further than 4.5%.

In the medium term, Link anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us.

A4. BORROWING ACTIVITY

No borrowing was undertaken in 2022.

The Council's gross borrowing on 31 December 2022 of £744m is within the Council's Authorised Limit (the maximum amount of borrowing approved by City Council) of £1,009m and within the Council's Operational Boundary (the limit beyond which borrowing is not expected to exceed) of £995m.

The Council plans for gross borrowing to have a reasonably even maturity profile. This is to ensure that the Council does not need to replace large amounts of maturing borrowing when interest rates could be unfavourable.

The actual maturity profile of the Council's borrowing is within the limits contained within the Council's Treasury Management Policy (see paragraph A1).

Early Redemption of Borrowing

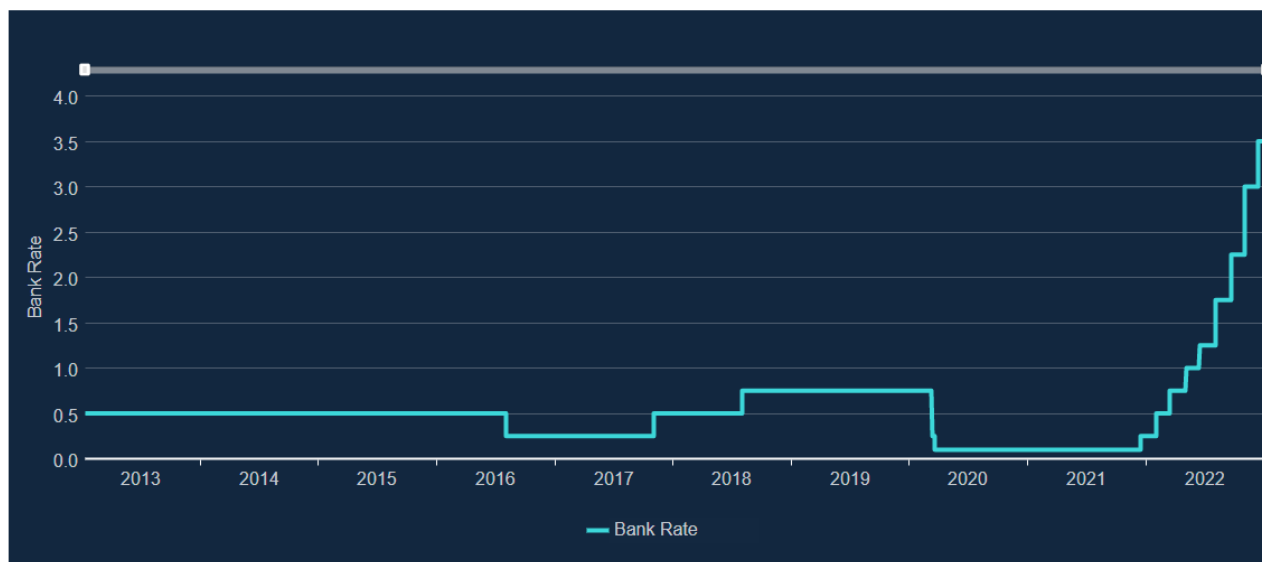
No debt rescheduling or early repayment of debt has been undertaken in 2022 as it has not been financially advantageous for the Council to do so.

A5. INVESTMENT ACTIVITY

There have been few changes to credit ratings over the quarter under review.

The Bank of England base rate has been at a low level for the last decade and fell to a particularly low level of 0.10% in March 2020 when the coronavirus pandemic struck. The Bank of England has steadily increased its base rate since December 2021, with particularly large increases of 0.75% and 0.50% in the third quarter of 2022/23. This can be seen in the graph below.

Official Bank Rate



The Council's investments averaged £453m to 31 December. The Council's investments made an average annualised return of 0.91% in the first three quarters of 2022/23. This is compared with the performance in prior years in the table below.

Year	Overall Return
2020/21	0.99%
2021/22	0.31%
2022/23 (to 31 st December)	0.91%

Although the base rate fell to 0.10% for much of 2020/21, the return on the Council's investments did not sharply fall immediately, with the rate of return being held up by investments that had been made previously when base rate was higher. However, as previously made investments matured in 2021/22, the return on the Council's investments did fall sharply. With the increase in base rate, new investments made in 2022/23 have had higher returns, and this has resulted in the overall rate of return on the Council's investments increasing. This is expected to continue, but the rate of return on the Council's investments is being held back by older investments that were made when interest rates were lower.

A6. COMBINED BORROWING AND INVESTMENT POSITION (NET DEBT)

The Councils net debt position on 30 September 2022 is summarised in the table below.

	Principal	Average Interest Rate	Interest to 31 December 2022
Borrowing (including finance leases & private finance initiative (PFI) schemes)	£744m	3.15%	£17.6m
Investments	(£415m) *	(0.91%)	(£3.1m)
Net Debt	£329m		£14.5m

*Although the Council's investments were £415m on 30 December 2022, the average sum invested over this period was £453m.

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Title of meeting:	Governance & Audit & Standards Committee
Date of meeting:	25 th January 2023
Subject:	Internal Audit Performance Status Report to 10 th January 2023
Report by:	Chief Internal Auditor
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Summary

- 1.1 This is an Internal Audit Performance Status Report for the 2022-23 planned audit activities. Appendix A includes the detail of progress made against the annual plan and documents individual audit findings.

2. Purpose of report

- 2.1 This report is to update the Governance and Audit and Standards Committee on Internal Audit Performance for 2022/23 to 10th January 2023 against the Annual Audit Plan, highlight areas of concern and areas where assurance can be given on the internal control framework.

3. Recommendations

- 3.1 That Members note the Audit Performance for 2022-23 to 10th January 2023.
- 3.2 That Members note the highlighted areas of concern in relation to audits completed from the 2022/23 Audit Plan, including follow up work performed.

4. Background

- 4.1 The Annual Audit Plan for 2022-23 has been drawn up in accordance with the agreed Audit Strategy and was approved by this Committee on 4th March 2022 following consultation with Directors and relevant parties. The Plan is reviewed regularly in order to take account of any further changes in risks levels or corporate priorities.

5 Integrated Impact Assessment

5.1 The contents of this report do not have any relevant equalities and environmental impact and therefore an Integrated Impact assessment is not required.

6. Legal Implications

6.1 The City Solicitor has considered the report and is satisfied that the recommendations are in accordance with the Council’s legal requirements and the Council is fully empowered to make the decisions in this matter.

6.2 Where system weaknesses have been identified he is satisfied that the appropriate steps are being taken to have these addressed.

7 Finance Comments

7.1 There are no financial implications arising from the recommendations set out in this report.

7.2 The S151 Officer is content that the progress against the Annual Audit Plan and the agreed actions are sufficient to comply with his statutory obligations to ensure that the Authority maintains an adequate and effective system of internal audit of its accounting records and its system of internal control.

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Signed by: Elizabeth Goodwin, Chief Internal Auditor

Appendices:

Appendix A – Internal Audit Progress Report

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
1 Accounts and Audit Regulations	http://www.legislation.gov.uk/ukxi/2011/817/contents/made
2 Previous Audit Performance Status and other Audit Reports	Refer to Governance and Audit and Standard meetings – reports published online.

3	Public Sector Internal Audit Standards	http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards
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The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

.....
Signed by:

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Portsmouth
CITY COUNCIL

Internal Audit Progress Report 25th January 2023

Elizabeth Goodwin, Chief Internal Auditor

1. Introduction

Internal Audit is a statutory function for all local authorities.

The requirement for an Internal Audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015 as to:

Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance

The standards for ‘proper practices’ are set out in the Public Sector Internal Audit Standards [the Standards – updated 2016].

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes

This report includes the status against the 2022/23 internal audit plan.

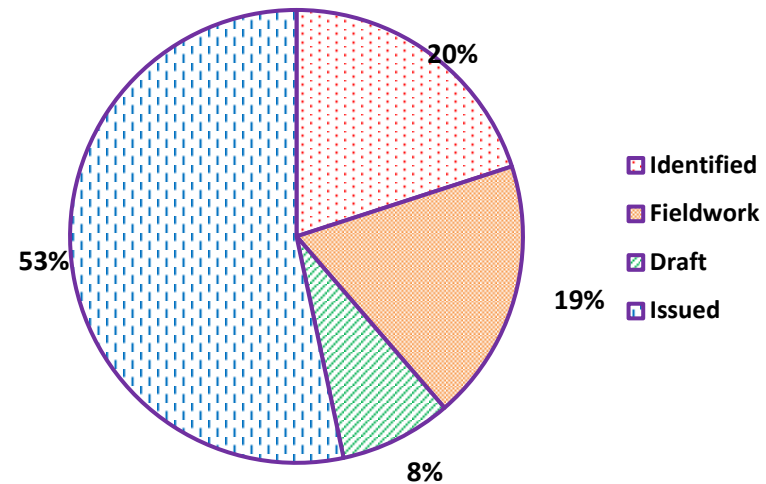
2. Audit Plan Progress as of 10th January 2023

There are 35 Full Audits, 16 first follow ups, 7 second follow up reviews, 1 consultancy review and 16 grants, in the revised plan for 2022/23, totalling 75 reviews. *

To date, 60 (80%) have been completed or are in progress as of 10th January 2023. This represents 40 (53%) audits where the report has been finalised.

Status	Audits
Identified	15
Fieldwork	14
Draft Report	6
Final Report	40

Audit Plan Progress as of 10th January 2023



**Figures are only in relation to PCC audits and are excluding any SLEP or Portico reviews.*

3. Ongoing Internal Audit Involvement

Internal Audit has provided advice, ongoing reviews and involvement work in the following areas. (For reference, advice is only recorded when the time taken to provide the advice exceeds one hour):

- 2 Regulation of Investigatory Powers Act (RIPA) - authorisations (reported annually) and policy review
- Anti-Money Laundering - monitoring, reporting and policy review
- Financial Rules Waivers
- National Fraud Initiative (NFI) to facilitate national data matching carried out by the Cabinet Office
- National Anti-Fraud Network (NAFN) bulletins and intelligence follow up
- Counter Fraud Programme - proactive work to reduce the risk exposure to the authority
- Governance & Audit & Standards Committee - reporting and attendance
- Audit Planning and Consultation
- Risk Management & Annual Governance Statement
- Performance Management
- 106 open investigation cases - (includes, corporate, benefit and council tax support cases)
- 12 items of advice

4. Audit Plan Status/Changes.

The original audit plan agreed on the 4th March 2022 had a total of 67 reviews. The following changes have been made since the last progress report.

Audits removed from the Audit Plan:

- Application Management - Removed from the 2022/23 audit plan to accommodate additional work.

Amendments made to the Audit Plan:

- Partnership Governance - Consultancy review work performed, instead of full audit performed to establish possible frameworks in the absence of national guidance.

Audits added to the Audit Plan:

- Ukrainian Accommodation Support - Added to the 2022/23 audit plan.

5. Areas of Concern

No new areas of concern.

6. Assurance Levels

Internal Audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework for risk management, control and governance designed to support the achievement of management objectives for the area under review.

Assurance Level	Description / Examples
Assurance	<i>No issues or minor improvements noted within the audit but based on the testing conducted, assurance can be placed that the activity is of low risk to the Authority</i>
Reasonable Assurance	<i>Control weaknesses or risks were identified but overall the activities do not pose significant risks to the Authority</i>
Limited Assurance	<i>Control weaknesses or risks were identified which pose a more significant risk to the Authority</i>
No Assurance	<i>Major individual issues identified or collectively a number of issues raised which could significantly impact the overall objectives of the activity that was subject to the Audit</i>
NAT	<i>No areas tested</i>

Audits rated No Assurance are specifically highlighted to the Governance and Audits and Standards Committee along with any Director's comments. The Committee is able to request any director attends a meeting to discuss the issues.

7. Exception Risk Ranking

The following table outline the exceptions raised in audit reports, reported in priority order and are broadly equivalent to those previously used.

Priority Level	Description
Low Risk (Improvement)	<i>Very low risk exceptions or recommendations that are classed as improvements that are intended to help the service fine tune its control framework or improve service effectiveness and efficiency. An example of an improvement recommendation would be making changes to a filing system to improve the quality of the management trail.</i>
Medium Risk	<i>These are control weaknesses that may expose the system function or process to a key risk but the likelihood of the risk occurring is low.</i>
High Risk	<i>Action needs to be taken to address significant control weaknesses but over a reasonable timeframe rather than immediately. These issues are not 'show stopping' but are still important to ensure that controls can be relied upon for the effective performance of the service or function. If not addressed, they can, over time, become critical. An example of an important exception would be the introduction of controls to detect and prevent fraud.</i>
Critical Risk	<i>Control weakness that could have a significant impact upon not only the system function or process objectives but also the achievement of the Council's objectives in relation to: The efficient and effective use of resources, The safeguarding of assets, The preparation of reliable financial and operational information, Compliance with laws and regulations and corrective action needs to be taken immediately.</i>

Any critical exceptions found the will be reported in their entirety to the Governance and Audits and Standards Committee along with Director's comments

8. 2020/21 Audits completed to date (10th January 2023)

Harry Sotnick House - Director of Adult Social Care

Exceptions Raised

Critical	High	Medium	Low
0	0	3	1

Overall Assurance Level
Reasonable Assurance

Agreed actions are scheduled to be implemented by January 2023

Assurance Level by Scope Area

Achievement of Strategic Objectives	NAT
Compliance with Policies, Laws & Regulations	Reasonable Assurance
Safeguarding of Assets	Reasonable Assurance
Effectiveness and Efficiency of Operations	NAT
Reliability and Integrity of Data	NAT

The scope of this review focused on the administrative operations of the unit, specifically key controls for compliance with internal regulations and safeguarding of assets. Three medium risk exceptions were raised in relation to failure to provide two signatories for reconciliations on petty cash and amenities, in addition 1/8 amenities transaction which amounted to £60 had no invoice present and attached to the voucher to verify the purchase. The failure to change the combination to the safe after the former admin staff left the unit in August 2022. Lastly the failure to provide signatories to evidence and confirm personal belongings of residence during the admittance of a new resident. One low risk exception was also raised as a result of this review.

Green Home Grants

Grant Verification - Sample testing was able to evidence that the terms and conditions had been met which allowed the Chief Executive and Chief Internal Auditor to sign the declaration confirming compliance.

9.2022/23 Follow-up Audits to date (10th January 2023)

Direct Payment - Director of Adult Social Care

Original Exceptions Raised

Critical	High	Medium	Low
0	4	1	0

Follow Up Exception Position

Critical	High	Medium	Low
0	3	0	0

Original Assurance Level

Limited Assurance

Follow Up Assurance Level

Reasonable Assurance

The new implantation date is schedule to be completed by April 2024

Follow Up Assurance Level by Scope Area

Achievement of Strategic Objectives	NAT
Compliance with Policies, Laws & Regulations	Reasonable Assurance
Safeguarding of Assets	Reasonable Assurance
Effectiveness and Efficiency of Operations	Reasonable Assurance
Reliability and Integrity of Data	NAT

One medium risk and one high risk exception have been closed, and three high risk exceptions are in progress after follow-up testing. Evidence provided during this review, supported by additional testing, has confirmed that there has been a significant improvement in maintaining client reviews within SystemOne, and in adding explanatory notes to ContrOCC. The support plans tested contained explicit reference to the Direct Payments (DP) in all but one tested (later amended and verified), and DP audits were noted to be up to date with clear records. There were, however, still issues, notably around the lack of records kept during the service-wide review, as well as discrepancies in the DP amount between some support plans and the finance system, although none were significant in value.

Home to School Transport - Director of Regeneration
Original Exceptions Raised

Critical	High	Medium	Low
0	3	3	0

Follow Up Exception Position

Critical	High	Medium	Low
0	3	1	0

Original Assurance Level

Limited Assurance

Follow Up Assurance Level

Limited Assurance

The new implementation date is schedule to be completed by March 2023

Follow Up Assurance Level by Scope Area

Achievement of Strategic Objectives	NAT
Compliance with Policies, Laws & Regulations	Limited Assurance
Safeguarding of Assets	NAT
Effectiveness and Efficiency of Operations	Limited Assurance
Reliability and Integrity of Data	NAT

Three high risk exceptions and one medium risk exception remain in progress at the close of audit testing. Although two medium risk exceptions have been closed, testing was unable to confirm the details of the team's DBS and licensing reconciliation, evidence the implementation of the new system, staff restructure or processes, or evidence progression on the contract performance monitoring. In mitigation, it is noted that some elements, such as the adoption of the new system and staff restructure are underway and outside of the direct control of the team. Further, action has been taken with regard to establishing a performance monitoring framework and a clearer means of reconciling and monitoring provider data.

Trading Standards - Director of Culture, Leisure and Regulatory Services
Original Exceptions Raised

Critical	High	Medium	Low
0	3	0	0

Follow Up Exception Position

Critical	High	Medium	Low
0	2	0	0

Original Assurance Level

Limited Assurance

Follow Up Assurance Level

Limited Assurance

The new implantation date is schedule to be completed by October 2023

Follow Up Assurance Level by Scope Area

Achievement of Strategic Objectives	NAT
Compliance with Policies, Laws & Regulations	NAT
Safeguarding of Assets	Reasonable Assurance
Effectiveness and Efficiency of Operations	Limited Assurance
Reliability and Integrity of Data	NAT

One high risk exception has been closed, and two remain in progress at the close of follow-up testing. Of those in progress, activity relating to officer recruitment and training are partially reliant on external factors, and it is acknowledged that there is little more that the team can do at present to expedite this process. The Service have advised that the remaining actions had not been completed due to an oversight but are now being addressed. Despite the fact that there has been progress against the agreed actions, with a further activity following audit testing, the situation has not materially changed in relation to the core risk, which is the availability of trained staff to carry out Trading Standards legislated functions.

10. 2022/23 2nd Follow-up Audits to date (10th January 2023)

As raised during the July 2020 Governance & Audits & Standards meeting. Internal Audit has scheduled in 2nd follow-up reviews for all areas where a 1st review highlighted risk exposure/s still unmitigated. The audits below detail the position as at a 2nd review.

Homelessness - Director of Housing, Neighbourhoods and Building Services

1st Follow-Up Exceptions Raised

Critical	High	Medium	Low
0	1	0	0

2nd Follow Up Exception Position

Critical	High	Medium	Low
0	0	0	0

1st Follow-Up Assurance Level

Reasonable Assurance

2nd Follow Up Assurance Level

Reasonable Assurance

2nd Follow Up Assurance Level by Scope Area

Achievement of Strategic Objectives	NAT
Compliance with Policies, Laws & Regulations	NAT
Safeguarding of Assets	Reasonable Assurance
Effectiveness and Efficiency of Operations	NAT
Reliability and Integrity of Data	NAT

Follow-up testing has confirmed that the agreed actions for the one high risk exception has been recently implemented. There are insufficient records to enable verification that the controls are working effectively, therefore this exception has been closed, not verified and a reasonable assurance opinion remains.

Right to Buy - Director of Housing, Neighbourhoods and Building Services

1st Follow-Up Exceptions Raised

Critical	High	Medium	Low
0	2	0	0

2nd Follow Up Exception Position

Critical	High	Medium	Low
0	0	0	0

1st Follow-Up Assurance Level

Reasonable Assurance

2nd Follow Up Assurance Level

Assurance

2nd Follow Up Assurance Level by Scope Area

Achievement of Strategic Objectives	Assurance
Compliance with Policies, Laws & Regulations	Assurance
Safeguarding of Assets	NAT
Effectiveness and Efficiency of Operations	NAT
Reliability and Integrity of Data	NAT

All exceptions have been closed and verified.

11. Exceptions

Of the 2022/23 full audits completed, 45 exceptions have been raised.*

Risk	Total
Critical Risk	0
High Risk	15
Medium Risk	24
Low Risk - Improvement	6

**These figures are excluding Portico and SLEP*



Title of meeting:	Governance & Audit & Standards Committee
Date of meeting:	25 th January 2023
Subject:	Whistleblowing Annual Report and Policy
Report by:	Elizabeth Goodwin - Chief Internal Auditor
Wards affected:	Not applicable
Key decision:	No
Full Council decision:	No

1 Purpose of report

1.1 To update Members of this Committee on the nature and handling of any whistleblowing concerns which have been raised for the period January 2022 to December 2022. In addition to this to confirm that, following the annual review of the whistleblowing policy, there are no current proposed changes, since those agreed at the January 2022 committee meeting.

2 Recommendations

It is recommended that Members of the Governance and Audit and Standards Committee:

- 2.1 Note this report and the attached Appendix A and consider whether any further action is required.
- 2.2 Note the whistleblowing policy, Appendix B, where there are no proposed changes.

3 Background

3.1 The Public Interest Disclosure Act 1998 gives employees certain rights in relation to whistleblowing. An employee has a right to make a protected disclosure to prescribed persons where the employee reasonably believes:

- 3.1.1 A criminal offence has, or is going to be committed;
- 3.1.2 There is a breach of a legal obligation;
- 3.1.3 A miscarriage of justice;
- 3.1.4 There is a danger to the health and safety of any individual;
- 3.1.5 There will be damage to the environment; or
- 3.1.6 There is deliberate concealment of information tending to show any of the above five matters.

3.2 The Act provides that employees shall suffer no detriment to their employment as a result of blowing the whistle, including disciplinary action.

- 3.3 The Policy applies to all Council staff, including employees, temporary workers, agency staff and any contractor remunerated by the Council.
- 3.4 As requested by the Governance & Audit & Standards Committee, an annual report is produced each year in respect of whistleblowing concerns. This year's report is attached as Appendix A.
- 3.5 After having considered Appendix A, Members are asked to decide whether there is any cause for concern and to consider whether any further action is required by the Committee, or the Chief Internal Auditor.
- 3.6 Three whistleblowing cases were received during 2022. One has resulted in an audit being performed which is currently in progress, another case is under investigation, meanwhile the remaining case was investigated by the service and HR and appropriate action has been taken.

4 Reasons for recommendations

- 4.1 To make Members of the Committee aware of the current position with regard to whistleblowing and ensure that any appropriate action is taken.

5 Equality Impact Assessment (EIA)

- 5.1 An equality impact assessment 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.

6 Legal implications

- 6.1 The Legal implications are incorporated within the body of this report. There are no other immediate legal implications arising from this report

7 Director of Finance's comments:

- 7.1 There are no financial implications arising from the recommendations set out in this report.

.....
Chief Internal Auditor

**Appendices: Appendix A - Schedule of Whistleblowing Concerns Jan 2022 - Dec 2022
Appendix B - Whistleblowing Policy**

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
Whistleblowing Policy	http://svp-policyhub02/PolicyHubAdmin/Inbox/MyLibrary

Appendix A - Schedule of Whistleblowing (January 2022 to December 2022)

Date	Area	Investigated / Referred	Outcome
June 2022	Director of Children Families & Education Concerns raised in relation to HR system processes, specifically recording of leave.	Internal Audit being performed	In progress following end of year close down. Results will be shared with this committee in due course.
August 2022	Director of Children Families & Education Concerns raised in relation to an undeclared secondary employment whilst on sickness absence for PCC.	Investigated	Investigated by the service/HR no additional action taken beyond awareness raising of internal procedures.
October 2022	Director of Adult Social Care Allegations of bullying	Referred to HR	Under investigation

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Whistle Blowing

Summary:

This policy is for all Council staff, including employees, temporary workers, agency staff and people working for contractors and relates to how to raise genuine concerns of illegal, unethical or immoral conduct.

Note: This policy should be read in conjunction with The Anti-Fraud Bribery and Corruption Policy, Raising a Grievance Informally guidance and Employees Code of Conduct.

ID	Whistle Blowing Policy
Last Review Date	January 2023
Next Review Date	January 2024
Approval	Governance and Audit and Standards Committee
Policy Owner	Chief Internal Auditor
Policy Author	Deputy Chief Internal Auditor
Advice & Guidance	Audit & Counter Fraud or Monitoring Officer
Related Documents	Freedom of Information Act 2000 http://www.legislation.gov.uk/ukpga/2000/36/contents Data Protection Act 1998 http://www.legislation.gov.uk/ukpga/1998/29/contents
Applicability	Guidance for all staff, including employees, temporary workers, agency staff and people working for contractors.

Contents

1	Introduction	3
2	Scope of this policy	3
3	Our assurances to you	4
4	How to raise a concern.....	4
5	How we will handle the matter	5
6	Independent advice.....	6
7	External contacts	6
8	Administration.....	6

- 1.1 The Council is committed to achieving the highest possible standards of openness, probity and accountability in all of its practices. This policy is here to help you as an employee, to raise a concern you may have in the right way without fear.
- 1.2 We all have at one time concerns about what is happening at work. Usually, these concerns are easily resolved. However, when the concern is about illegal, unethical or immoral conduct i.e., malpractice; it can be difficult to know what to do. You may feel worried about raising an issue and decide to keep the concern to yourself, perhaps feeling that it is none of your business, only a suspicion or possibly a misunderstanding or interpretation. You may feel that raising the matter may be disloyal to colleagues, managers or the Council itself. Or perhaps you have tried to raise the matter but found you have spoken to the wrong person or raised the issue in the wrong way and are not sure what to do next.
- 1.3 The Council would prefer you raise any concern about such malpractice when it is just a concern, rather than wait for proof. This policy aims to help you raise any concern about malpractice in the right way. It explains the routes open to all Council staff, including employees, temporary workers, agency staff and people working for contractors. This policy does not replace the Council's complaints procedure, which is open to all members of the public.

2 Scope of this policy

- 2.1 This whistleblowing policy is primarily for a serious concern, which affects the interests of others, such as service users, the public, colleagues or the council itself. Concerns may include but are not excluded to:
 - Breach of the law or committing an offence
 - Unauthorised or misappropriation of public funds
 - Suspected fraudulent activities
 - Approaches of bribery
 - Physical or sexual abuse of clients
 - Safeguarding of clients as a result of poor practice
- 2.2 If you want to bring a complaint or grievance that is about your employment or the way you have been treated, please use the Grievance Procedure.

If in doubt – please raise it!

3 Our assurances to you

- 3.1 We recognise it may be difficult to raise a concern.
- 3.2 If you raise a genuine concern under this policy, you will not be at risk of losing your job or suffering any reprisal as a result. Provided that you raise the matter honestly, it does not matter if you are mistaken. Of course, we do not extend this assurance to someone who maliciously raises a concern they know is untrue. Any such conduct may be liable to disciplinary action or other appropriate action.
- 3.3 If disciplinary action or redundancy procedures have already been started, raising a concern will not, in itself, halt them.

Your confidence

- 3.4 We will not tolerate the harassment or victimisation of anyone raising a genuine concern. However, we recognise that there may be some circumstances when you would prefer to speak to someone in confidence under this policy. If this is the case, please say so at the outset. If you ask not to disclose your identity, we will not do so without your consent unless required by law. You should understand that there may be circumstances when we are unable to resolve a concern without revealing your identity (for instance where your personal evidence is essential) and in such cases we will discuss with you whether and how best we can proceed.

Anonymity

- 3.5 Please remember that if you do not tell us who you are it may be more difficult for us to look into the matter, as further clarification may be needed in relation to the concerns raised. In addition, we will not be able to protect your position and or be able to provide you with the same support and assurances if you report a concern anonymously.

4 How to raise a concern

- 4.1 Please remember that you do not need to have firm evidence of malpractice before raising a concern. However, we do ask that you explain as fully as you can the information or circumstances that gave rise to your concern. Remember the earlier you raise a concern the easier it is to resolve it. If you wish, you may be accompanied by a union or professional association representative or a friend.

Option One

- 4.2 We hope that you will feel able to raise your concern openly with your manager. This may be done orally, or if you prefer, in writing.

Option Two

- 4.3 If you feel unable to raise the matter with your manager for whatever reason, or if you think the concern has not been properly addressed, please raise it with a senior manager in your area or contact:

Whistleblowing line on 023 9284 1373 email:
Whistleblowing@portsmouthcc.gov.uk

Or via post (marked Private & Confidential) to:

Audit & Counter Fraud
Portsmouth City Council
Civic Offices
Guildhall Square
Portsmouth
PO1 2AR

Or contact one of the following officers:

Paul Somerset, Deputy Chief Internal Auditor (023 9283 4673) email:
Paul.Somerset@portsmouthcc.gov.uk

Elizabeth Goodwin, Chief Internal Auditor (023 9283 4682) email:
Elizabeth.Goodwin@portsmouthcc.gov.uk

Peter Baulf, Monitoring Officer & City Solicitor (023 9283 4041) email:
Peter.Baulf@portsmouthcc.gov.uk

These people have been given special responsibility and training in dealing with whistle blowing concerns.

5 How we will handle the matter

- 5.1 Once you have raised your concern we will acknowledge (within 3 working days) that it has been received and confirm our understanding of the issues raised, to ensure that your concern is fully understood.
- 5.2 Initial enquiries will then be made to decide whether an investigation is appropriate and, if so, what form it should take. All investigations undertaken within the Authority are directed by the 'Investigations Steering Panel' whose panel members include Monitoring Officer, Section 151 Officer and Audit & Counter Fraud. If deemed appropriate, the concern raised may be:
- Investigated by Audit & Counter Fraud or Management.
 - Referred to the Police
 - Referred to the External Auditor
 - The subject of an independent inquiry
 - A combination of the above
- 5.3 While we cannot guarantee that we will respond to all matters in the way that you might wish, we will handle the matter fairly and properly. We will not be able to disclose specific details of how this will be achieved. We will however give you limited feedback on the outcome of any investigation. Please note,

that we will not be able to tell you about disciplinary or legal action, when it infringes a duty of confidence, we owe to third parties.

- 5.4 Portsmouth City Council in issuing this policy is mindful of its responsibility under the General Data Protection Regulations, Data Protection and Freedom of Information Acts. These pieces of legislation impose an obligation on PCC to allow access to information held in relation to such investigations (subject to legal exemptions) whilst protecting the rights of individuals whom the data is about.
- 5.5 If you have any personal interest in the matter, we do ask that you tell us at the outset. If we think your concern falls more properly within the Grievance Procedure, we will tell you.

6 Independent advice

If you are unsure whether to use this policy or you want independent advice at any stage, free advice is available from:

- Your Trade Union, if applicable
- Protect, either by telephone on 020 3117 2510 or by email at whistle@protect-advice.org.uk

7 External contacts

- 7.1 While we hope this policy gives you the reassurance you need to raise a concern internally, we recognise that there may be circumstances where you can properly report matters to outside bodies, such as the External Audit or other appropriate regulator, or in very serious situations, to the police.
- 7.2 Protect, or if applicable, your union will be able to advise you on such an option and on the circumstances in which you may be able to contact an outside body safely.

8 Administration

- 8.1 If you have any questions about the whistleblowing policy and how it applies, you can contact Audit & Counter Fraud or the City Solicitor & Monitoring Officer who will be pleased to answer your questions.
- 8.2 The Chief Internal Auditor has overall responsibility for the maintenance and operation of this policy and will report to the Governance and Audit and Standards annually on the application of this policy. The Deputy Chief Internal Auditor maintains a record of concerns raised and the outcomes (but in a form which does not endanger staff confidentiality).
- 8.3 This policy will be reviewed annually by the Governance and Audit and Standards Committee.

See also: -

- The Anti-Fraud, Bribery and Corruption Policy
- The Complaints Policy
- The local Code of Conduct
- Employees Code of Conduct and Formal Action Policy
- The Council's Grievance Procedure and Raising a Grievance Informally

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Title of meeting:	Governance & Audit & Standards Committee
Date of meeting:	25 January 2023
Subject:	Report on complaints received into alleged breaches of the Code of Conduct by Members of the Council for the calendar year 2022
Report by:	City Solicitor
Wards affected:	N/A
Key decision:	No
Full Council decision:	No

1 Purpose of report

- 1.1 To update Members of the Committee in relation to complaints which have been progressed within the calendar year 2022 and which allege that Councillors may have breached the Code of Conduct.

2 Recommendations

- 2.1 It is recommended that Members of the Committee note the report.
- 2.2 It is recommended that Members of the Committee consider whether any further action is required by them.
- 2.3 It is recommended that Members of the Committee place on record their thanks to the Independent Persons.

3 Background

- 3.1 Upon acceptance of office, all Councillors undertake to comply with the Code of Conduct. In the event that a Councillor may have failed to comply with the Code of Conduct, a complaint may be made. The City Solicitor, as the Council's Monitoring Officer, is appointed to receive such complaints. The complaints are then considered in accordance with the guidance provided under the Local Government Act 2000.
- 3.2 The City Solicitor, as requested by the Governance & Audit & Standards Committee, maintains records on the progress of complaints and each year produces a report to this Committee. This year's report is attached at Appendix A.
- 3.3 The Monitoring Officer has, in this report, detailed the nature of the complaints, but is constrained by the information which can be provided in an open report, to protect the identity of the Subject Member(s), particularly in those cases where the Sub-Committee has decided that the Code has not been breached. In the

circumstances the Monitoring Officer advises that if Members require more detailed information they should seek it from the Monitoring Officer prior to the Committee meeting or during the meeting. If the latter, the meeting will be moved into exempt session.

- 3.4 After having considered Appendix A, Members are asked to decide whether there are any matters of concern or whether further action is required by the Committee or City Solicitor.

4 Reasons for recommendations

- 4.1 To make Members of the Committee aware of the current position with regard to complaints and ensure that appropriate action is taken.

5 Integrated Impact Assessment (IIA)

- 5.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

6 Legal implications

- 6.1 The City Solicitor's comments are included in this report.

7 Director of Finance's comments:

- 7.1 There are no financial implications arising from the recommendations set out in this report.

.....
City Solicitor

Appendices: Appendix A - Schedule of Complaints

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

Appendix A - Schedule of Complaints - for year 2022 *(complaints received and concluded)*

Complaint No.	Date complaint received	Summary and outcome of complaint	Complaint by -
1.	1 July 2022 (complaint on same matter as below #2)	<p>The subject member was alleged to have:</p> <ul style="list-style-type: none"> a) Failed to treat others with respect b) Failed to conduct yourself in a manner which could reasonably be regarded as bringing your office or the Authority into disrepute. <p>The Initial Filtering Panel consider complaints 1 and 2 together and decided there was a breach of the Code on both allegations.</p> <p>The agreed outcome was that the Member is requested to:-</p> <ol style="list-style-type: none"> 1. Meet with the Monitoring Officer to talk through the legality of deformation and the proper use of social media platforms within the scope of the role of a councillor; and 2. Provide a formal apology; and 3. Provide a notice of correction to the News regarding an article as a result of social media post. 	Councillor
2.	1 July 2022 (complaint on same matter as above #1)	<p>The subject member was alleged to have:</p> <ul style="list-style-type: none"> a) Failed to treat others with respect. b) Failed to not bully a person. c) Failed to conduct yourself in a manner which could reasonably be regarded as bringing your office or the Authority into disrepute. d) Failed by using or attempting to use your position as a member improperly to confer on or secure for yourself or any other person an advantage or disadvantage. <p>The Initial Filtering Panel consider complaints 1 and 2 together and decided there was a breach of the Code on points a) and c) above.</p> <p>The agreed outcome was that the Member is requested to:-</p> <ol style="list-style-type: none"> 1. Meet with the Monitoring Officer to talk through the legality of deformation and the proper use of social media platforms within the scope of the role of a councillor; and 2. Provide a formal apology; and 3. Provide a notice of correction to the News regarding an article as a result of social media post. 	Councillor

Complaint No.	Date complaint received	Summary and outcome of complaint	Complaint by -
3.	28 April 2022 (A delay normal time expected for an IFP hearing to take place was due to Purdah)	<p>The subject member was alleged to have:</p> <ul style="list-style-type: none"> a) Failed to treat others with respect. b) Failed to not bully a person. c) Failed to not intimidate, or try to intimidate, anyone who has complained about you or who may be involved in a complaint about you. d) Failed by compromising the impartiality of the Authority's officers. e) Failed by preventing a person from gaining access to information to which they are entitled. f) Failed to conduct yourself in a manner which could reasonably be regarded as bringing your office or the Authority into disrepute. g) Failed by using or attempting to use your position as a member improperly to confer on or secure for yourself or any other person an advantage or disadvantage. h) Failed to, when using or authorising the use by others of the resources of the Authority, act in accordance with the Authority's reasonable requirements and ensure that the resources are not used improperly for political purposes. i) Failed when reaching decisions, having regard to the relevant advice from the Authority's officers and to give reasons for decisions. j) Failed to have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986 or otherwise. <p>The IFP decided there was no breach of the Code and no actions were recommended.</p> <p>Complainant did not exercise their right to request that the decision be taken to an Assessment Sub-Committee to be reviewed within the 10 days (or at all) after notification of the Panel's decision.</p>	Public
4.	22 July 2022	<p>The subject member was alleged to have</p> <ul style="list-style-type: none"> a) Failed to conduct themselves in a manner which could reasonably be regarded as bringing their office or the Authority into disrepute. <p>The IFP decided that there was no breach of the Code.</p> <p>The agreed outcome was should the complainant wish to pursue the matter, they should go directly to the political party concerned.</p>	Public



Title of meeting:	Governance & Audit & Standards Committee
Date of meeting:	25 January 2023
Subject:	Consideration of the political balance rules in relation to the constitution of Sub-Committees considering complaints against Members.
Report by:	City Solicitor
Wards affected:	N/A
Key decision:	No
Full Council decision:	No

1 Purpose of Report

The Committee is asked to consider whether it wishes to continue 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.

2 Recommendation

It is 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.

3 Background

- 3.1 The Committee agreed on 25 September 2020 to "disapply" the political balance rules in respect of Sub-Committees of Governance and Audit and Standards Sub-Committees when dealing with complaints. This meant the Sub-Committees' membership would in future not be made up of Members in the same proportion as the political groups are represented on the Council. Instead it was agreed that the Sub-Committees would be "cross party as far as reasonably practicable". This was considered important to ensure the greatest transparency in the decision making of these Sub-Committees where complaints against members were considered. It was also agreed that the same rule would apply to the make-up of the Initial Filtering Panel which is not a formal Sub-Committee of Governance and Audit and Standards.
- 3.2 Section 17 (2) Local Government and Housing Act 1989¹ provides that any decision not to apply the political balance rules shall come to an end if there is any change in the make-up of a committee where they have been disapplied.

¹ <http://www.legislation.gov.uk/ukpga/1989/42/section/17>

3.3 The decision is one which only this Committee can make but it must be made without any of the Members present voting against it.

4 Reasons for recommendations

As there has been a change this municipal year in the political make-up of the Council, Members are asked to reconsider this decision, as the decision to disapply the political balance rules, made on 20 July 2022. If Members decide to disapply the political balance rules then this apply for the remainder of the municipal year, or until there is any change in the make-up of a committee where they have been disapplied.

5 Integrated Impact Assessment

An integrated impact assessment is not required as the recommendations do not directly impact on service or policy delivery. Any changes made arising from this report would be subject to assessment in their own right.

6 Legal implications

The City Solicitor's comments are included in this report.

7 Director of Finance's comments

There are no financial implications arising from the recommendations set out in this report.

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Signed by: City Solicitor

Appendices: None

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
None	N/A