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## GOVERNANCE & AUDIT & STANDARDS COMMITTEE

MINUTES OF THE MEETING of the Governance & Audit & Standards Committee held on Friday, 4 March 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](http://www.portsmouth.gov.uk).)

### Present

Councillor Leo Madden (in the chair)  
Councillor Daniel Wemyss (Vice-Chair)  
Councillor Stuart Brown  
Councillor Charlotte Gerada  
Councillor Lee Hunt  
Councillor John Smith

### Officers

Peter Baulf, City Solicitor  
Elizabeth Goodwin, Chief Internal Auditor  
Michael Lloyd, Finance Manager (Technical & Financial Planning)  
Paul Somerset, Deputy Chief Internal Auditor

### External Auditor

Helen Thompson, Executive Director, Ernst & Young  
David White, Manager, Assurance - Government and Public Sector, Ernst & Young

#### 13. Apologies for Absence (AI 1)

There were no apologies for absence.

#### 14. Declarations of Members' Interests (AI 2)

There were no declarations of members' interests

#### 15. Minutes of Meeting held on 21 January 2022 (AI 3)

**RESOLVED** that the minutes of the meeting held on 21 January 2022 be approved and signed by the Chair as a correct record.

#### 16. External Audit - Auditors Annual Report: Year ended 31 March 2021 (AI 4)

(TAKE IN REPORT)

Helen Thompson and David White from Ernst & Young introduced the report which presented Portsmouth City Council's Annual Report for the year ended 31 March 2021 to the committee for information.

**RESOLVED that the committee NOTED the report.**

**17. Data Security Breach Report (AI 5)**

(TAKE IN REPORT)

Elizabeth Goodwin, Chief Internal Auditor, introduced the report which updated the committee of any Data Security Breaches which had occurred since September 2021 and any subsequent actions which had been taken to address them.

She advised the committee that there had been no significant breaches or changes in patterns.

In response to questions the Chief Internal Auditor explained that the vast majority of data breaches were reported by the officer who made the breach. Deliberate breaches were rare and might occur when an officer looked up a family member on a particular database. She outlined the security measures protecting sensitive data which included restrictions to only those who needed to access the data and the logging of who had viewed it.

In respect of the cyber security measures of contractors she advised the committee that this formed part of the Procurement Framework used when appointing contractors to deliver services on behalf of the council.

**RESOLVED that the committee NOTED the report.**

**18. Treasury Management Policy 2022/23 (AI 6)**

(TAKE IN REPORT)

Michael Lloyd, Finance Manager introduced the report which contained the updated Treasury Management Policy Statement which included the Annual Investment Strategy. It was before the committee for scrutiny and comment before being considered by Cabinet prior to submission to Full Council for approval.

In response to a question the Finance Manager explained that the purpose of the UK Infrastructure Bank was to loan money for large scale infrastructure, which it would do at a more favourable rate than the Public Works Loan Board (PWLB).

In respect of questions around the reporting process for officers with delegated authority it was confirmed that these delegations were not new and necessary for the treasury management function to operate. The Governance & Audit & Standards Committee received quarterly Treasury Management updates to provide awareness of such decisions.

**RESOLVED that the committee NOTED the recommendations in section 3 of the report which would go on to Cabinet and then to Full Council for approval.**

**19. Internal Audit Performance Status Report to 15 February 2022 (AI 7)**

(TAKE IN REPORT)

Elizabeth Goodwin, Chief Internal Auditor introduced the report which updated the committee on the Internal Audit Performance for 2021/22 to 15 February 2022 against the Annual Audit Plan and highlight areas of concern and areas where assurance could be given on the internal control framework.

In response to questions the committee was advised that whilst a number of remedial actions remained outstanding for Portico, progress was being made and a number of actions had been completed. Outstanding actions would be followed up and reported on as part of the 2022/23 audit.

For a large organisation such as the council she was not unduly worried by there being 47 high risk items and reminded the committee of the improvements made over recent years.

**RESOLVED that the Governance & Audit & Standards Committee NOTED:**

**(i) the Audit Performance for 2021/22 to 15 February 2022; and**

**(ii) the highlighted areas of concern in relation to audits completed from the 2021/22 Audit Plan, including follow up work performed**

**20. Internal Audit Plan 2022/23 and Audit Charter, including Code of Ethics (AI 8)**

(TAKE IN REPORT)

Elizabeth Goodwin, Chief Internal Auditor introduced the report which presented the proposed Internal Audit Plan for 2022/23 to the committee for approval as detailed in Appendix A of the report and the updated Audit Charter and Code of Ethics detailed in Appendix B.

**RESOLVED that the Governance & Audit & Standards Committee APPROVED:**

**(i) the proposed Internal Audit Plan for 2022/23 as set out in Appendix A of the report; and**

**(ii) the updated Audit Charter and Code of Ethics as shown in Appendix B of the report.**

## 21. Anti-Fraud, Bribery & Corruption Policy (AI 9)

(TAKE IN REPORT)

Elizabeth Goodwin, Chief Internal Auditor, introduced the report which updated the committee following a review of the Anti-fraud Bribery and Corruption Policy. The committee was advised of one minor change which related to an amendment of Deputy Chief Executive and Monitoring Officer to Monitoring Officer.

### **RESOLVED that**

- (i) **Bullet point two of Paragraph 5.3 of the Anti-Fraud Bribery & Corruption Policy be amended to read:**

**"Dealing with investigations into matters referred by the Governance & Audit & Standards Assessment Sub-Committee and making reports or recommendations in respect of them to the Governance & Audit & Standards ~~Consideration Sub-Committee~~"**

- (ii) **Members of the Governance and Audit and Standards Committee NOTED the Anti-Fraud Bribery & Corruption Policy, Appendix A (as amended above), where there was one minor change relating to a job title amendment (Deputy Chief Executive and Monitoring Officer to Monitoring Officer).**

The meeting concluded at 2.40 pm.

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Councillor Leo Madden  
Chair