

MINUTES of a meeting of the **GOVERNANCE AND AUDIT COMMITTEE**
held in the **MILLENNIUM CHAMBER, MANOR HOUSE, CHURCH STREET,**
LITTLEHAMPTON on **TUESDAY 5 FEBRUARY 2019** at **6.30PM**

Present: Cllrs Northeast (Chair),
C Blanchard-Cooper, Chester
*Purchase and Squires

2018/2019

11. **EVACUATION PROCEDURES**
The evacuation procedures were noted.
12. **FILMING OF COUNCIL MEETINGS, USE OF SOCIAL MEDIA AND MOBILE PHONES**
The procedures were noted.
13. **APOLOGIES**
There were apologies from Councillor Warren QVRM.
14. **DECLARATION OF INTEREST**
Members and Officers were reminded to make any declarations of disclosable pecuniary or personal and/or prejudicial interests that they might have in relation to items on the Agenda. The standing declarations were noted, and no further declarations were made.
15. **MINUTES**
The Minutes of the meeting held on Tuesday 3rd July 2018 (previously circulated) were confirmed as a true record and signed by the Chair.
16. **PUBLIC FORUM**
There were no members of the public present.
17. **CHAIR'S REPORT AND URGENT ITEMS**
 - 17.1 **Independent Committee on Standards in Public Life - Report on ethical standards in local government**
Members received a summary of findings of a recent parliamentary inquiry into standards in local government (copy attached to the minutes). Among the measures recommended was a proposal to introduce a single code of conduct for all tiers of local government based on the National Association's (NALC) model code. The recommendations had been presented to the Prime Minister and future engagement with local councils regarding taking forward the report's recommendations would be led by NALC. It was **RESOLVED** that:

The update be noted.

**Councillor Purchase joined the meeting at 6:35pm.*

18. OFFICER'S REPORTS

18.1 Internal Audit Report 2018/19

The Committee considered a report (previously circulated) which set out the outcome of the first Internal Audit Report for the financial year 2018/19. In addition, views were sought on a draft procedure for internal audit provision to assist with the review of the Internal Auditors appointment which was due to change for 2019/20 financial year. Return. It was noted that the audit regulations required local authorities to have effective internal audit procedures in place which must be reviewed annually by the Council. The Responsible Financial Officer (RFO) explained that if these processes were not in place the Council would not have the assurances it required to confidently approve the Annual Governance Statement in the Annual Return. The proposed procedure therefore aimed to reflect the competencies and specialist reporting that were expected from an independent internal auditor engaged in local authority work. Members were pleased to note the positive outcome of the internal audit report and it was **RESOLVED** that:

- 1) **The interim Internal Audit report for the year ending 31st March 2019 be noted.**
- 2) **The Councils Internal Audit Provision Procedures be approved and RECOMMENDED to Full Council.**
- 3) **The RFO in conjunction with the Town Clerk and Chair of the Committee be delegated authority to review the Internal Auditors appointment.**

18.2 Standing Orders Review

The Democratic Services Manager explained that having recently undertaken a review of them with the Town Clerk and the Deputy Town Clerk and Responsible Financial Officer, no changes were proposed. Members were satisfied that no significant changes were required to the document and it was therefore **RESOLVED** that:

No further action be taken.

18.3 Financial Regulations Review

The Committee considered a report (previously circulated) that proposed further amendments to the Financial Regulations to reflect the introduction of electronic banking. In addition, the RFO directed Members to further changes to the authorisation of Business Charge Card transactions that had also arisen from this review. Members proceeded to examine the proposed changes in more detail, and it was noted that the regulations relating to the "two member signatures"

control had been repealed to facilitate the use of electronic payments for local authorities. This, together with the Council's strategic move towards the introduction of electronic banking had prompted a further review of the Town Council's processes in this respect. The need for stringent controls was acknowledged and the rationale for the increase in the level of payment authorisation understood. The RFO provided clarity on a number of points relating to the payments authorisation process and it was noted that these would need to be reflected in any new banking arrangement to support the introduction of electronic banking. A programme of training would be put in place for Councillors and staff to familiarise themselves with the new process when electronic banking was introduced. It was therefore **RESOLVED** that:

The amendments to the Financial Regulations be supported and RECOMMENDED to the Policy and Finance Committee for consideration before being submitted to Full Council for approval.

18.4 Annual Governance Review

The Democratic Services Manager explained that having recently undertaken a review of them with the Town Clerk and the Deputy Town Clerk and Responsible Financial Officer, no changes were proposed. Members were satisfied that the Town Council's Code of Conduct, Register of Members Interests and Dispensation Scheme were robust and up to date and it was **RESOLVED** that:

No further action be taken in respect of the Town Council's existing Governance arrangements in respect of the Members Code of Conduct, Declarations of Interests and Dispensation Scheme.

18.5 Annual Review of Internal Controls

The Committee considered a report (previously circulated) that outlined the Town Council's annual review process of Internal Controls that included measures designed to prevent and detect fraud and corruption. In addition, further amendments would be required to Section 1, Payments, to remove the section which referred to two/five authorised councillor signatures and to Section 3, Credit Card Payments, subject to approval by Full Council of the changes to the Financial Regulations that were proposed by the Committee following its review earlier in the meeting. The RFO provided clarification regarding the current use of online banking and it was noted that residents were already being encouraged to make payments direct to the Town Council using BACS. She also confirmed that the facility to

accept card payments would form part of the roll out of electronic banking. It was therefore **RESOLVED** that:

1. **The Councils Internal Control system be approved.**
2. **Council be RECOMMENDED to approve Statements 2, 5, 6 and 7 of the Annual Governance Statement and that they have been complied with.**

18.6 Annual Review of Corporate Risk Register

18.6.1 The Committee considered a report (previously circulated) that outlined the changes to the updated Corporate Risk Register and the Risk Register relating to the Town Councils' Strategic Policies. The RFO explained that the documents had been reviewed by the Service Managers and that minor changes were proposed to bring the document in line with current practice. The Risk Management Strategy and Procedures had also been reviewed by the Town Clerk and RFO and no changes were proposed. It was noted that the Strategic Polices would be reviewed after the local elections by the new Council and risk assessments carried out as appropriate.

18.6.2 Members proceeded to review the Register and discussion focussed on recent events, and their impact on the Town Council's ability to achieve its objectives relating to the museum and tourism. It was noted that the assessment of the level of risk was based on the effectiveness of the control measures that were in place. Therefore, the activities of the Museum Working Group, and ongoing efforts to support tourism initiatives that the Town Council was engaged in as part of its normal business activities, formed part of the controls. Reviewing the document further, an additional change was proposed to one of the risks identified under Youth Services where it was suggested that "potential increase in anti-social behaviour" be replaced with "Failure to deliver life enhancing skills". This was supported and it was therefore **RESOLVED** that:

- 1) **The Council's Corporate Risk Management Strategy and Procedures be approved and RECOMMENDED to Full Council for approval.**
- 2) **Subject to the amendment set out in Minute 18.6.2 above, the Risk Registers be RECOMMENDED to Full Council for approval.**

18.7 Complaints and Compliments Review 2018

The Committee considered a report (previously circulated) that provided complaints and compliments with a description on the matter and how it was resolved from the year 2018. It was suggested that

publication of compliments be explored as testimonials when publicising the Town Council's services. It was **RESOLVED** that:

**The complaints and compliments review
2018 be noted.**

19. EXEMPT BUSINESS

There was none.

The meeting closed at 7:34pm.

CHAIR