

BRECKLAND COUNCIL

At a Meeting of the

GOVERNANCE & AUDIT COMMITTEE

**Held on Thursday, 3 October 2019 at 10.00 am in
Norfolk Room, Conference Suite, Elizabeth House, Dereham**

PRESENT

Mr R.G. Kybird (Vice-Chairman) Mrs J. James
Mr H. E. J. Clarke Mrs L.H. Monument
Mrs E. Grey

Also Present

Mr T. Birt Mr P. Morton

In Attendance

Christine Marshall	- Executive Director Commercialisation (S151 Officer)
Mark Stinson	- Executive Manager Governance (Deputy Monitoring Officer)
Mark Hodgson	- Lead Audit Partner
Faye Haywood	- Internal Audit Manager
Julie Britton	- Democratic Services Officer

Chairman

In the absence of the Chairman, the Vice-Chairman, Councillor Robert Kybird, chaired the meeting.

52/19 MINUTES (AGENDA ITEM 1)

The Minutes of the meeting held on 25 July 2019 were confirmed as a correct record and signed by the Vice-Chairman.

**53/19 ACTIONS ARISING FROM THE MINUTES (IF ANY) (STANDING ITEM)
(AGENDA ITEM 3)**

None.

54/19 APOLOGIES (AGENDA ITEM 4)

An apology for absence was received from the Chairman, Councillor Borrett.

55/19 URGENT BUSINESS (AGENDA ITEM 5)

None.

56/19 DECLARATION OF INTERESTS (AGENDA ITEM 6)

None.

**57/19 NON-MEMBERS WISHING TO ADDRESS THE MEETING (AGENDA
ITEM 7)**

Councillor Birt and Councillor Morton were in attendance to observe the

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meeting.

58/19 TRAINING (STANDING ITEM) (AGENDA ITEM 8)

Members were reminded of the Treasury Management training session taking place immediately after the meeting.

59/19 PROCESS FOR AMENDING THE CONSTITUTION (AGENDA ITEM 9)

Mark Stinson, the Executive Manager for Governance presented the report.

The Governance & Audit Committee had asked for a report to be prepared setting out the Committee's current role in constitutional changes and what would be required to enable greater involvement of the Committee in such changes.

Under Article 14 of the Council's Constitution, changes to the Constitution had to be approved by the Full Council before they were implemented. Where, in the reasonable opinion of the Monitoring Officer, changes were minor, were required to be made to remove any inconsistency or ambiguity, or were required to be made so as to put into effect any decision of the Council or its committees or the Cabinet, they could be implemented by the Monitoring Officer subject to subsequent ratification by Council.

As a matter of process, where proposed changes would have a material impact on the work or role of a Committee, such proposals were first submitted to the relevant Committee for consideration prior to being reported to Full Council. The recent changes made to the planning delegations that were considered by the Planning Committee in the first instance prior to being recommended to Full Council were given as an example.

It was noted that no individual standing Committee had previously been given general responsibility for reviewing proposed constitutional changes except for a Constitution Working Group that had been established in 2013. The Executive Manager recommended that should the Governance & Audit Committee be minded to take a formal role in reviewing the Constitution, this should be reserved for substantive changes rather than minor amendments.

Councillor Clarke asked for clarification as to whether changes reviewed by the Committee would still need to be ratified by Full Council. Additionally, if another Committee wanted to make a substantive change would it be brought to the Governance & Audit Committee first or straight to Full Council. In response, the Executive Manager for Governance advised that the Constitution allowed Full Council to appoint a Committee to recommend changes to the Constitution but such changes would still need to be agreed by Full Council.

Councillor Grey queried the procedure as there seemed to be, in her opinion, a great deal of duplication.

The Executive Manager for Governance explained that any minor or substantive changes would have to be reported to Full Council but any changes that effected a Committee would have to be taken to that Committee, followed by consideration by the Governance & Audit Committee before a final recommendation to Full Council.

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<p>Jon Plaskett, the Independent Lay Advisor did not believe that this Committee would be adding any value and was unsure why such matter were even being discussed but asked what other Council's did. Christine Marshall, the Executive Director for Commercialisation & S151 Officer advised that it varied from authority to authority and how active the Governance & Audit Committee was. She pointed out that this Committee's role was governance and it was within Governance & Audit Committee's gift to decide.</p> <p>Councillor Monument initially had some reservations as to what value the Governance & Audit Committee would be adding but she was persuaded that there was value in the Committee taking on this role.</p> <p>The Vice-Chairman in the Chair felt that this Committee should take responsibility for such constitutional changes.</p> <p>Councillor Morton felt that it would be useful to have another view if there were any issues.</p> <p>The Executive Director for Commercialisation & S151 Officer explained how it would function from a procedural point of view; and it was</p> <p><u>RECOMMEND TO COUNCIL</u> that:</p> <ol style="list-style-type: none">1. the Constitution be amended so that any proposed substantive changes to the Constitution be reviewed by the Governance & Audit Committee, as well as Cabinet/other committees as appropriate, prior to submission to Full Council; and	
<p><u>RESOLVED</u> that:</p> <ol style="list-style-type: none">2. the Executive Manager for Governance be instructed to submit to Council the necessary constitutional changes to enable this.	
<p>60/19 <u>ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2019 (AGENDA ITEM 10)</u></p> <p>Mark Hodgson, Associate Partner for Ernst & Young presented a summary of the audit work carried out throughout the year ending 31 March 2019.</p> <p>Members were reminded that the accounts had been signed following the meeting in July 2019 and publication followed. He was pleased to announce that a god audit had been carried out in the timeframe allowed.</p> <p>The Vice-Chairman queried the statement on page 23 of the agenda pack in relation to misstatement due to fraud or error. Members were informed that external audit was paid to test that the assurances given by Officers were true.</p> <p>The Vice-Chairman allowed Councillor Birt to put a question forward. From a public perception point of view, Councillor Birt asked about the on-going process of keeping the same auditor that had been mentioned in a previous training session. The Executive Director & S151 Officer explained that this was a national led contract and most authorities had changed their auditors</p>	<p>Dems</p> <p>Mark S</p>

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Referring to question 9 of the assessment, it was agreed that both the Audit Committee skills matrix and CIPFA's Position Statement would be emailed to Members for information.	Faye H
The second part of the document required an assessment of how the Committee displayed its effectiveness through the reports it received. The assessment had been broken down into the following key areas – it was agreed that Constitution review would be added going forward:	Faye H
<ol style="list-style-type: none"> 1. Promoting the principles of good governance and their application to decision making; 2. Contributing to the development of an effective Audit Committee; 3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks; 4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively; 5. Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence; 6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, controls and assurance arrangements; 7. Supporting the development of robust arrangements for ensuring value for money; 8. Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks. 	
Taking into account previous comments and scoring, each area listed above was given a score of 4. Additionally, it was agreed that as the Terms of Reference for the Committee were much clearer now, comments previously made under question 6 above would be amended.	
The final report would be presented at the next meeting scheduled to take place on 12 December 2019. It was agreed that the CIPFA Self-Assessment would be reported to the Committee on an annual basis.	Faye H
The report was otherwise noted.	
62/19 <u>WORK PROGRAMME (AGENDA ITEM 11)</u>	
The work programme would be updated accordingly.	Dems
63/19 <u>NEXT MEETING (AGENDA ITEM 12)</u>	
The arrangements for the next meeting on Thursday, 12 December 2019 at 2pm in the Norfolk Room were noted.	All to Note

The meeting closed at 11.08 am

CHAIRMAN