
GOVERNANCE COMMITTEE
MINUTES OF THE MEETING HELD ON 24 APRIL 2017

Present: Councillors Barnes-Andrews (Chair), Inglis, Noon, Parnell and Keogh (Vice-Chair)

Apologies: Councillors Jordan and O'Neill

33. **MINUTES OF PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED: that the minutes for the Committee meeting on 13th February 2017 be approved and signed as a correct record.

34. **ANNUAL REVIEW OF THE CONSTITUTION**

The Committee considered the report of the Service Director; Legal and Governance detailing the Annual Review of the Constitution. The Committee noted that proposed changes were to Contract Procedure Rules, the amalgamation of Employment and Appeals Panel with Governance Committee and Delegations to the Senior Leadership Team to deal with appeals against dismissals and school transport appeals. In addition the Committee noted that revisions to the current terms of reference for Chief Officer Employment Panel were proposed so that it would be responsible for the appointment and dismissal (where permissible) of all Chief Officers, the Chief Executive as Head of Paid Service would assume responsibility for all employees up to and including Deputy Chief Officers in accordance with national best practice.

The Committee also noted that following proposed changes to the Constitution and as part of the strengthening of Governance Procedures there would now be two additional annual reports submitted to the Committee detailing External Contract Arrangements and HR matters including police referrals. In relation to paragraph 36 of the report and proposed changes to Chief Officer Employment Panel it was noted that this was a late addition to the report and would be a reversal of a Council decision taken in November 2015. The Chair reported that there had not yet been opportunity to discuss this fully with the Chief Executive, therefore it was suggested that it remained as a recommendation to the Annual General Meeting; in the meantime the Chair would discuss the matter with Group Leaders and the Chief Executive with Council making the final decision based on discussion outcomes and recommendations.

RESOLVED:

- (i) That the proposed changes to the Constitution be recommended to Council for adoption at its Annual General Meeting on 17th May 2017; and
- (ii) That the Chair of the Committee discuss the proposed changes as detailed in paragraph 36 of the report with Group Leaders and the Chief Executive and make recommendation accordingly to the Annual General Meeting on 17th May 2017.

35. **CODE OF CORPORATE GOVERNANCE - ANNUAL REVIEW**

The Committee considered the report of the Service Director; Legal and Governance detailing the Annual Review of the Code of Corporate Governance which sets out the commitment of Southampton City Council to continue to uphold the highest possible standards of good governance.

RESOLVED: that the Code of Corporate Governance 2017 as detailed in Appendix 1 of the report be approved.

36. **EXTERNAL AUDIT PROGRESS REPORT**

The Committee received and noted the report of the External Auditor detailing progress against the external auditor's 2016/17 audit plan. In particular the Committee noted that there had been a decision not to proceed with the introduction of the Highways Network Asset Code into the financial reporting requirements for local authorities which would have had significant implementation costs and that there had been a decision that the Council would perform some of the initial testing itself in relation to 2016/17 Housing Benefit Certification in return for a 20% reduction in the external auditor's fee. The Committee were assured that the external auditor would perform sufficient checking to satisfy that testing had been performed appropriately.

37. **2016-17 INTERNAL AUDIT PLAN - PROGRESS REPORT**

The Committee considered the report of the Chief Internal Auditor detailing the internal audit progress report up to March 2017. The Committee particularly noted and raised concern in relation to the "limited assurance" relating to the Child Protection and Court Team (PACT) which had sat at that status for a significant period of time and suggested that this required further discussion between the Chair of the Committee and the Service Director; Children and Families.

RESOLVED: that the Chair of the Committee meet with the Service Director; Children and Families to discuss further the "limited assurance" relating to PACT.

38. **AUDIT CHARTER 2017**

The Committee considered the report of the Chief Internal Auditor detailing the Internal Audit and Counter Fraud Charter and Code of Ethics for 2017/18 which was a requirement of the Public Sector Internal Audit Standards. The Committee noted with effect from 1st April 2017 the internal audit and counter fraud function was being delivered as a shared service with Portsmouth City Council under the direction and control of the shared Chief Internal Auditor (the Chief Internal Auditor for Portsmouth City Council) and as such the introduction of an Investigation Steering Group was being recommended which consisted of the Monitoring Officer, s151 Officer, Service Director; Human Resources and Organisational Development and the Chief Internal Auditor or deputy which would be a new process for Southampton City Council.

RESOLVED: that the Internal Audit and Counter Fraud Charter and Code of Ethics for 2017/18 as detailed in the appendix to the report be approved.

39. **INTERNAL AUDIT PLAN 2017/18**

The Committee considered the report detailing a draft Annual Internal Audit Plan for 2017/18 as detailed in the appendix to the report. The Committee noted that with effect from 1st April 2017 the internal audit and counter fraud function was being delivered as a shared service with Portsmouth City Council under the direction and control of the shared Chief Internal Auditor (the Chief Internal Auditor for Portsmouth City Council). As this was a new arrangement the 2017/18 Annual Audit Plan was presented as a draft plan that would be extended during Quarter 1 and submitted to a future meeting of the Committee for final ratification in order to allow the Chief Internal Auditor to accurately assess the needs of the Council following discussions with the senior management team and Members.

RESOLVED: that the draft Annual Internal Audit Plan for 2017/18 as detailed in the appendix to the report be approved.