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GOVERNANCE COMMITTEE  
MINUTES OF THE MEETING HELD ON 25 SEPTEMBER 2012

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<u>Present:</u>	Councillors Furnell (Chair), Chaloner, Daunt, Inglis, Kaur and Keogh
<u>Independent Members</u>	Mr David Blake
<u>Apologies:</u>	Councillors Hannides and Mrs E Hale
<u>Also in Attendance</u>	Kate Handy, District Auditor and Steve High, Team Leader - Audit Commission

9. **MINUTES OF PREVIOUS MEETINGS (INCLUDING MATTERS ARISING)**

**RESOLVED:** that the minutes for the meetings of the Standard and Governance Committee on 25th June 2012 and the Governance Committee on the 2<sup>nd</sup> July 2012 be approved and signed as a correct record subject to the amendment to the attendance record for the 2<sup>nd</sup> July meeting to include David Blake as being in attendance. (Copy of the minutes circulated with the agenda and appended to the signed minutes).

10. **ANNUAL REPORT ON LOCAL GOVERNMENT OMBUDSMAN COMPLAINTS 2011-12**

The Committee received and noted the report of the Director of Corporate Services summarising the performance and issues arising out of the Annual Letter for 2011-12 (year ending 31<sup>st</sup> March 2012) from the Commission for Local Administration in England (Ombudsman). (Copy of report circulated with the agenda and appended to signed minutes).

It was noted that separate reports are provided to the Committee in relation to the Council's performance under its Corporate Complaints Procedure and the Statutory Children's and Adult's Social Care complaints procedures as both of these ultimately impact upon and form links with the Council's relationship with the Ombudsman.

The Committee noted that the most significant increase in 2011/12 was in Environmental Services and Public Protection and Regulation and that although the reason for this trend had not yet been clarified, it was believed to be due to the large number of these issues related to enquiries about waste collection services concerns following the industrial action last year. It was agreed that further clarification on this issue would be given to members via direct email prior to the next meeting.

11. **ANNUAL REPORT ON CHILDREN'S SERVICES AND LEARNING / HEALTH AND ADULT SOCIAL CARE COMPLAINTS 2011/12**

The Committee received and noted the report of the Customer Care and Quality Manager regarding Children's Services and Learning / Health and Adult Social Care

Complaints between April 2011 and March 2012 setting out the performance of both Directorates in responding to complaints and other contacts (compliments, comments and MP enquiries). (Copy of report circulated with the agenda and appended to signed minutes).

12. **CORPORATE COMPLAINTS 2011-12**

The Committee considered the report of the Senior Manager, Customer and Business Improvement summarising performance and issues arising out of complaints made by the public via the Council's Corporate Complaint's Procedure from the 1<sup>st</sup> April 2011 until 31<sup>st</sup> March 2012. (Copy of report circulated with the agenda and appended to signed minutes).

It was reported that the update to the Lagan system introduced in April 2012 caused a technical problem with the reports used to send out questionnaires to complainants and that therefore the decision had been made because of this and the relatively low response rate, to suspend this method of collecting customer feedback for 2012/13 whilst alternatives are explored. Members expressed their concern at not having an alternative method of collecting feedback from complainants for a whole year.

It was agreed that as the detail to a number of queries from the Committee was not available this would be communicated to the members via email prior to the next meeting.

**RESOLVED** that the Committee recommended that:-

- (i) The present system of collecting feedback from complainants after Stage 1 of the complaints process via questionnaires be retained until an alternative method is in place;
- (ii) Future questionnaires include a question relating to the performance of Action line for future monitoring purposes;
- (iii) The results of the questionnaires be further broken down by post code to provide information on a more regional basis; and
- (iv) The summary of the Results of the Complaints Questionnaires be published on the Council's web pages.

13. **CHAIR'S ANNUAL REPORT ON AUDIT COMMITTEE 2011/12**

The Committee received the report of the Chief Internal Auditor regarding the Chair of the Audit Committee's Annual Report on the work undertaken by the Audit Committee during the 2011/12 Municipal year. (Copy of the report circulated with the agenda and appended to the signed minutes).

During this Municipal year the Audit Committee had been integrated with the previous Standards and Governance Committee to form the new Governance Committee which would now fulfil the functions of the two previous committees.

The Committee discussed the major change in the past year regarding the Audit function which was the Government's implementation of the transfer of the Audit Commission's work to the private sector to take effect from 31 October 2012.

14. **INTERNAL AUDIT: PROGRESS REPORT AUGUST 2012**

The Committee received and noted the report of the Chief Internal Auditor summarising the activities of internal audit for the period August 2012. In accordance with proper internal audit practices and the Internal Audit Strategy, the Governance Committee is required to receive the Chief Internal Auditor's progress report. (Copy of report circulated with the agenda and appended to signed minutes).

15. **INTERNAL AUDIT STRATEGY 2012-15**

The Committee received and the report of the Chief Internal Auditor detailing the Internal Audit Strategy for 2012-15 outlining how the Council's internal audit service will be managed, delivered and developed. (Copy of report circulated with the agenda and appended to signed minutes).

It was reiterated that in February 2012, the Council had entered into a collaborative partnership with Hampshire County Council for the provision of internal audit services.

16. **STRATEGIC RISK REGISTER**

The Committee considered the report of the Head of Finance and IT regarding the Strategic Risk Register identifying key risks that need to be managed in order to support the successful delivery of the Council's priorities and challenges and to enable opportunities to be exploited. (Copy of report circulated with the agenda and appended to signed minutes).

It was reiterated that the Management Board of Directors ("MBoD") were committed to the risk registers being developed and managed to be an effective and useful management tool'.

**RESOLVED** that:-

- (i) the 'Strategic Risks' for 2012-13 be noted (Appendix 1); and
- (ii) the 'Summary of Directorate Risk Registers' (Appendix 2) be noted.

17. **AUDIT COMMISSION: ANNUAL GOVERNANCE REPORT 2011/12**

The Committee received and noted the report of the Chief Internal Auditor summarising the findings from the 2011/12 audit to assess how well the Council uses and manages their resources to deliver value for money. (Copy of report circulated with the agenda and appended to signed minutes).

The Committee were informed by the external auditor that an unqualified opinion had been issued in relation to both the Financial Statements and the arrangements in place to secure value for money in the Council's use of resources.

18. **AUDIT COMMISSION: ANNUAL AUDIT LETTER 2011/12**

The Committee received and noted the report of the Chief Internal Auditor concerning the Annual Audit Letter presenting the results of the statutory audit of the Council's 2011/12 financial statements and the assessment of arrangements to achieve value for money in the Council's use of resources. (Copy of report circulated with the agenda and appended to signed minutes).

19. **ANNUAL GOVERNANCE STATEMENT**

The Committee considered the report of the Head of Finance and It regarding the Annual Governance Statement. (Copy of report circulated with the agenda and appended to signed minutes).

**RESOLVED** that:-

- (i) the draft Annual Governance Statement be approved by the Committee as meaningful and the system of internal control as having operated effectively throughout the reporting period; and
- (ii) the status of the 2010-11 AGS Action Plan as substantially complete be noted.

20. **STATEMENT OF ACCOUNTS**

The Committee considered the report of the Head of Finance (in accordance with the Accounts and Audit Regulations 2011) seeking approval of the Financial Statements 2011/12. (Copy of report circulated with the agenda and appended to signed minutes).

The accounts submitted for approval were the subject of the Annual Audit and reflected all agreed amendments to date.

**RESOLVED** that:-

- (i) the Statement of Accounts 2011/12 be approved and signed by the Chair of the Governance Committee subject to any changes required after the completion of the Audit; and
- (ii) The changes required to the draft accounts as indicated in the report following the completion of the Annual Audit be approved.

21. **TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS MID YEAR REVIEW**

The Committee considered the report of the Head of Finance and IT (Chief Financial Officer) regarding the Treasury Management Strategy and Prudential Limits Mid Year Review. (Copy of report circulated with the agenda and appended to signed minutes).

The Panel noted in particular that there had been an increase in the Capital Financing Requirement compared to that reported within the outturn report submitted to Council on the 11 July 2012 due to a reduction in funding from contributions accounted for in the year and a corresponding increase in borrowing following an

amendment made as part of the audit of the 2011/12 accounts and that was provision within the revenue budget for these borrowing costs.

**RESOLVED** that:-

- (i) the current and forecast position with regards to these indicators and to endorse any changes be noted;
- (ii) the continued proactive approach to Treasury Management has led to reductions in borrowing costs and safeguarded investment income be noted; and
- (iii) the changes to the 2011/12 Capital Financing Requirement to that reported in the Outturn report submitted to Council on the 11 July 2012 be noted.