

LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE

Meeting held on Thursday, 24th May, 2018 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr J.E. Woolley (Chairman)
Cllr Jacqui Vosper (Vice-Chairman)

Cllr M.S. Choudhary
Cllr A.K. Chowdhury
Cllr Liz Corps
Cllr A.H. Crawford
Cllr A.J. Halstead
Cllr B. Jones
Cllr Marina Munro
Cllr M.D. Smith

Apologies for absence were submitted on behalf of Cllr Sue Carter.

1. MINUTES

The Minutes of the Meeting held on 9th April, 2018 were approved and signed by the Chairman.

2. SEX ESTABLISHMENT FEES AND CHARGES

The Committee considered the Head of Environmental Health and Housing's Report No. EHH1812 which set out proposed revised fees and charges for the licensing of sex establishments.

The Report set out the methodology of the calculation of the proposed fees, together with legal and specific sex establishment licensing regime considerations.

The Committee was advised that, following legislative changes, case law developments and a challenge to existing fee level arrangements, sex establishment licensing fees and charges had been subject to a full and comprehensive review. Having taken account of LGA guidance and the principles established by case law developments, this had resulted in a marked reduction in the proposed licence application fees and charges as outlined in the Report. The fees would be subject to review in accordance with the recently established corporate process and timetable.

RESOLVED: That approval be given to the revised fees and charges, as set out below and in the Head of Environmental Health and Housing's Report No. EHH1812, with effect from 1st June, 2018:

Service	Current charge	Charge from 01.06.18
Sex establishments licence (new) (per application)	£6925	£1115
Transfer of sex establishment's licence (per application)	£6925	£1115
Sex establishments licence (renewal) (per annum)	£3200	£270

3. **TERMS OF REFERENCE AND WORK PLAN 2018/19**

The Committee considered the Head of Financial Services' Report No. FIN1818, which set out the proposed revised terms of reference and work programme for the Committee, together with consequential changes to the Constitution.

The Report set out the core functions of the Committee, which covered the areas of: governance, risk and control; internal audit; external audit; financial reporting; and, accountability arrangements. Details were also given of the characteristics of a good audit committee, which included the additional duties which had previously been held by the Standards and Audit Committee and encompassing the scrutiny of treasury management arrangements. More recently, the Committee had reviewed the Council's revised approach to risk management and had approved a new template for the Corporate Risk Register. Training had been arranged for Members of the Committee for both its audit activities and treasury management role. Cyclical reporting had been introduced for risk management and additional information had been supplied to the Committee covering the work of the Public Sector Audit Appointments Ltd.

The Committee was advised that planned improvements for the municipal year included incorporating the work of the Council's Corporate Investigation Team as part of the quarterly internal audit updates, reporting on progress against actions within the Annual Governance Statement, in addition to progress on compliance with Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Plan, carrying out an annual self-assessment of the Committee's effectiveness and reporting annually on the work of the Committee.

The Report also set out the proposed work programme for the Committee for the 2018/19 municipal year. It was stated that the terms of reference should adequately reflect the core responsibilities of the Committee and that these should be periodically reviewed against best practice.

During discussion, it was suggested that the issue of investigating money laundering should also be included as part of the Committee's work programme. It was also suggested that there should be a reference to training within the Committee's terms of reference.

RESOLVED: That, subject to the inclusion of the issue of training within the terms of reference and the investigation of money laundering within the work programme, the Head of Financial Services' Report No. FIN1818 be approved.

The Committee **RECOMMENDED TO THE COUNCIL** that approval be given to the changes to the Constitution, as set out in Appendix 1 to the Head of Financial Services' Report No. FIN1818.

4. **INTERNAL AUDIT - AUDIT OPINION**

The Committee considered the Audit Manager's Report No. AUD1803, which set out the Internal Audit coverage, findings and performance for 2017/18 and presented the Audit Manager's overall assurance opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control environment. The Report also covered the self-assessment carried out against the Public Sector Internal Audit Standards and the progress on the Quality of Assurance Improvement Plan for the year.

It was noted that twelve audits had originally been planned to be completed within 2017/18 in order to contribute to the audit assurance opinion. However, due to additional higher priority work having been identified within 2017/18 on card payments, IT equipment and an investigation into a potential data breach, the following lower priority audits had been dropped from the Audit Plan in order to free up audit time: planning applications; weekly refuse and recycling contract; and, financial borrowing. Members were advised that an audit from the 2016/17 Audit Plan – Activation Aldershot – had now been completed and had been incorporated as part of the 2017/18 audit opinion. It was advised that the audit on the Depot was a piece of work in progress and would be carried forward into the 2018/19 Audit Plan as part of providing an audit assurance opinion in 2018/19. It was further noted that six follow-ups on recommendations made within previous audits had also been carried out in 2017/18 in order to ensure that recommendations were implemented in a timely manner. These audited areas were: HMRC – IR35 requirements; external tenants; capital projects; Farnborough and Aldershot Markets; community assets; and, IT network security.

The Committee was advised of the various factors that had been taken into account in assessing the level of assurance to be given for 2017/18. It was noted that the Audit Manager was satisfied that sufficient internal audit work had been undertaken to allow a reasonable opinion to be given on the adequacy and effectiveness of the Council's risk management, control and governance processes. There were, however, a few areas where action would enhance the adequacy and effectiveness of governance, risk management and control, which included: rolling out of the reconstituted risk management process across the Council; incorporating the requirements of the General Data Protection Regulations within all areas of the Council; development of an Asset Management Strategy; and, improvement in the implementation of audit recommendations.

Members noted that the Quality Assurance and Improvement Plan would address some of the non-compliance and partial compliance issues over the following financial year, taking into account resources available.

The Annual Governance Statement, which was published alongside the Council's Statement of Accounts, set out how the Council had complied with its Code of Corporate Governance and reported on the governance framework at the Council. It was noted that the Internal Auditor would be recommending that the progress towards the roll-out of the reconstituted risk management process should be reported within the Annual Governance Statement as well as progress on incorporating the General Data Protection Regulations requirements within all areas of the Council. The Internal Auditor would also include mention of progress towards developing an Asset Management Strategy.

RESOLVED: That

- (i) the Audit Manager's Report No. AUD1803 be noted; and
- (ii) the Quality and Assurance Improvement Plan for 2018/19 be endorsed.

5. **INTERNAL AUDIT - AUDIT UPDATE**

The Committee received the Audit Manager's Report No. AUD1802 which gave details of the work carried out by Internal Audit for Quarter 4 and an overview of the audits completed during 2017/18 as part of the previously agreed Audit Plan.

It was noted that, during Quarter 4, audits had been carried out in respect of: FMS and bank reconciliation; purchase ledger; NNDR billing and collection; payroll; IT equipment; Community Asset follow-up; and, IT network security follow-up. The work on parking machine income follow-up had been deferred until 2018/19 and the audit was still in progress on the Depot (Capital project) and would be carried forward to be completed within 2018/19. Members were advised that Internal Audit had also provided input and advice as part of the Risk Management Group and input had also been provided to ensure that the Council was set up to comply with the new General Data Protection Regulations from May 2018. An investigation into allegations of a potential breach of data had also been undertaken, which had concluded that there was no evidence that a breach by Council staff had occurred.

The Report set out an overview of the audit work carried out during 2017/18 and the categories of assurance that had been given as part of the audit opinion. The Committee was advised that the audits on planning applications, weekly refuse and recycling collection contract and financial borrowing had not taken place due to resource limitations.

RESOLVED: That the Audit Manager's Report No. AUD1802 be noted.

6. **ANNUAL GOVERNANCE STATEMENT 2017 - 2018**

The Committee considered the Solicitor to the Council's Report No. LEG1805 which sought approval of the Council's Annual Governance Statement 2017-2018 for

publication alongside the Council's Statement of Accounts, under Regulation 6(1) of the Accounts and Audit Regulations 2015.

It was noted that the Regulations required councils to ensure that their financial management was adequate and effective and that there was a sound system of internal control. This facilitated the effective exercise of the Council's functions, including the management of risk and review of performance management. The system of internal control included more than the financial aspects of the Council's business. It included matters such as the establishment and monitoring of objectives, the arrangements for decision-making and ensuring compliance with established policies.

The Report advised that the Annual Governance Statement for 2017/18 had identified risk management, EU General Data Protection Regulations and risk of non-delivery of key projects as governance issues and major risks for the Council. The Committee was advised that no significant internal control issues had been identified. A number of actions had been identified for 2018/19 and these were set out in the Annual Governance Statement.

RESOLVED: That approval be given to

- (i) the Council's Annual Governance Statement 2017-2018; and
- (ii) the publication of the Governance Statement alongside the Council's Statement of Accounts for 2017/18.

7. STATEMENT OF ACCOUNTS 2017/18 - DUTIES AND RESPONSIBILITIES

The Committee received the Head of Financial Services' Report No. FIN1819, which set out the duties and responsibilities of the Licensing and General Purposes Committee in order to provide effective scrutiny of the Council's financial statements.

A copy of the draft Statement of Accounts was tabled at the meeting. The Committee was reminded that, in providing effective scrutiny of the financial statements, Members should satisfy themselves that appropriate steps had been taken to meet statutory and professional practices, together with having regard to such factors as: materiality; transparency; valuation; consistency; completeness; legality/legislation; classification; economic climate/going concern principle; risk of error; fraud; and, rights and obligations.

The Report advised Members that consideration should also be given to what sources of information that could be used to help them approve the accounts and from whom they might seek assurance regarding the financial performance of the organisation. Such sources included: internal audit; the work of the Committee in considering fraud, risk and internal audit reporting; statements of senior officers; external audit opinion; other external evaluation (e.g. Local Government Peer Review); other inspection regimes (e.g. H.M.R.C. – V.A.T, P.A.Y.E.); financial and performance reports; Members own knowledge of the affairs of the Council; the context (i.e. economic climate, interest rates, property prices, inflation); and, expert knowledge (e.g. actuarial reports, property valuations).

RESOLVED: That the Head of Financial Services' Report No. FIN1819 be noted.

8. APPOINTMENTS

(1) Outside Bodies –

RESOLVED: That the appointment of representatives to outside bodies for the 2018/19 Municipal Year, as set out the Appendix (set out below), be approved.

(2) Appointments and Appeals Panel –

RESOLVED: That the following Members be appointed to serve on the Appointments and Appeals Panel for the 2018/19 Municipal Year (1 Conservative: 1 Labour: 1 Independent and a representative of the Cabinet):

Conservative Group	Cllr S.J. Masterson with Cllr J.E. Woolley as Standing Deputy
Labour Group	Cllr P.F. Rust with Cllr B. Jones as Standing Deputy
Independent Group	Cllr D.M.T. Bell
Cabinet Member	Cllr G.B. Lyon

(3) Licensing Sub-Committee –

RESOLVED: That the following Members be appointed to serve on the Licensing Sub-Committee for the 2018/19 Municipal Year (3 Conservative: 2 Labour):

Conservative Group	Cllrs Liz Corps, Jacqui Vosper and J.E. Woolley
Labour Group	Cllrs A.H. Crawford and B. Jones

(4) Licensing Sub-Committee (Alcohol and Entertainments) –

RESOLVED: That the Head of Democratic and Customer Services be authorised to make appointments from the membership of the Licensing and General Purposes Committee to the Licensing Sub-Committee (Alcohol and Entertainments) in accordance with the procedure agreed by the Committee at its meeting on 21st May, 2009.

APPENDIX**LICENSING AND GENERAL PURPOSES COMMITTEE
24TH MAY 2018****REPRESENTATION ON OUTSIDE BODIES 2018/19**

NAME OF ORGANISATION	REPRESENTATIVE(S) 2018/19
Age Concern, Farnborough	Crs. Liz Corps, C.P. Grattan and Jacqui Vosper
Aldershot & Farnborough Festival of Music and Art	Crs. D.M.T. Bell, Liz Corps, Jennifer Evans and K.H. Muschamp
Aldershot Military Museum Strategic Local Agreement Meeting	Crs. Mrs. D.B. Bedford and B. Jones
Aldershot Town Centre Business and Retailers Group	Chairman of Aldershot Regeneration Group and Crs. M.S. Choudhary, A.H. Crawford, Jennifer Evans, A.R. Newell
Basingstoke Canal Joint Management Committee	Crs. J.H. Marsh and Nadia Martin with Crs. Veronica Graham-Green and C.P. Grattan as Standing Deputies
Blackbushe Airport Consultative Committee	Cr. Liz Corps with Cr. J.E. Woolley as Standing Deputy
Blackwater Valley Advisory Panel for Public Transport	Operational Services Portfolio Holder (Cr. M.L. Sheehan) and Cr. B. Jones with Crs. R.M. Cooper and M.J. Roberts as Standing Deputies
Blackwater Valley Countryside Partnership	Crs. Mrs. D.B. Bedford and P.G. Taylor with Crs. A.J. Halstead and Barbara Hurst as Standing Deputies

NAME OF ORGANISATION	REPRESENTATIVE(S) 2018/19
Brickfields Country Park, Friends of	Three Manor Park Ward Members (Crs. D.E. Clifford, P.I.C. Crerar and B.A. Thomas)
Cove Brook Greenway Group	Crs. C.P. Grattan and Veronica Graham-Green
District Councils Network (DCN)	Leader of the Council (Cr. D.E. Clifford)
Enterprise M3 Joint Leaders Board	Leader of the Council (Cr. D.E. Clifford)
Farnborough Aerodrome Consultative Committee	Operational Services Portfolio Holder (Cr. M.L. Sheehan) and Cr. P.G. Taylor (as a representative of an adjoining ward) with Cr. Martin Tennant as Standing Deputy
Farnborough and Cove War Memorial Hospital Trust Limited	Cr. R.L.G. Dibbs
457 Farnborough Squadron	Cr. J.H. Marsh
Hampshire and Isle of Wight Local Government Association	Leader of the Council (Cr. D.E. Clifford) with the Customer Experience and Improvement Portfolio Holder (Cr. P.G. Taylor)
Hampshire Buildings Preservation Trust AGM	Crs. Veronica Graham-Green and Marina Munro
Hampshire Districts Health and Wellbeing Forum	Planning and Economy Portfolio Holder (Cr. Barbara Hurst)
Hampshire Police and Crime Panel	Cr. K.H. Muschamp

NAME OF ORGANISATION	REPRESENTATIVE(S) 2018/19
Joint Scrutiny Committee (Hart/Basingstoke/Rushmoor) Hampshire Community Safety Partnership	Two representatives from Chairman and Vice-Chairmen of the Overview and Scrutiny Committee, Cr. A.H. Crawford Substitutes: Cr. B. Jones, remaining Scrutiny Chairman or Vice-Chairman
Local Government Association - General Assembly	Leader of the Council (Cr. D.E. Clifford)
North Hampshire Area Road Safety Council	Cr. Mara Makunura with Cr. P.G. Taylor as Standing Deputy
North Hampshire Community Safety Partnership	Cr. K.H. Muschamp
Parity for Disability	Cr. Barbara Hurst with Cr. Sue Carter as Standing Deputy
Project Integra Strategic Board	Operational Services Portfolio Holder (Cr. M.L. Sheehan)
Royal British Legion (Farnborough Branch) Remembrance Day Arrangements	Cr. Mrs. D.B. Bedford
Rushmoor Citizens' Advice Bureaux Trustee Board	No new nominations sought at this time
Rushmoor In Bloom Forum	Crs. Mrs. D.B. Bedford, M.S. Choudhary, Liz Corps, Jennifer Evans and C.P. Grattan
Rushmoor Local Strategic Partnership	Cr. Barbara Hurst with Cr. K.H. Muschamp as Standing Deputy

NAME OF ORGANISATION	REPRESENTATIVE(S) 2018/19
Rushmoor Sports Forum	Under review – no nominations sought for 2018/19
Rushmoor Swimming Association	Crs. Sue Carter and M.L. Sheehan
Rushmoor Voluntary Services Board	Cr. Barbara Hurst
Rushmoor Youth Forum	Crs.J.B. Canty, Sue Carter and A.J. Halstead
South East Employers – Full Meeting	Corporate and Democratic Services Portfolio Holder (Cr. G.B. Lyon) with Cr. P.G. Taylor as Standing Deputy
South East Employers – Local Democracy and Accountability Network	Crs. P.F. Rust and J.E. Woolley
South East England Councils (SEEC) All Member Meeting	Cr. Barbara Hurst
Vivid Housing Group – Annual General Meeting	Planning and Economy Portfolio Holder (Cr. Barbara Hurst)
West End Centre Management Committee	Crs. M.S. Choudhary and Nadia Martin.

The meeting closed at 8.28 pm.

CLLR J.E. WOOLLEY (CHAIRMAN)
