



## RUSHMOOR BOROUGH COUNCIL

# LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE

*via Microsoft Teams Live on  
Monday, 29th March, 2021 at 7.00 pm*

**To:**

Cllr S.J. Masterson (Chairman)  
Cllr Mara Makunura (Vice-Chairman)

Cllr Sophia Choudhary  
Cllr A.K. Chowdhury  
Cllr A.H. Crawford  
Cllr Veronica Graham-Green  
Cllr Christine Guinness  
Cllr A.J. Halstead  
Cllr L. Jeffers  
Cllr Prabesh KC  
Cllr Jacqui Vosper

**STANDING DEPUTIES**

Cllr Sue Carter  
Cllr C.P. Grattan

Enquiries regarding this agenda should be referred to the Committee Administrator,  
Kathy Flatt, Democracy and Community  
Tel. (01252 398829) or email [kathy.flatt@rushmoor.gov.uk](mailto:kathy.flatt@rushmoor.gov.uk).

# **A G E N D A**

1. **MINUTES – (Pages 1 - 8)**

To confirm the Minutes of the Meeting held on 25th January 2021 (copy attached).

2. **COUNCILLORS' CODE OF CONDUCT - UPDATE – (Pages 9 - 34)**

To consider the Monitoring Officer's Report No. LEG2101 (copy attached) on the responses received in respect of the consultation exercise on the Draft Councillors' Code of Conduct and on finalising the Code for approval.

3. **BRING YOUR OWN DEVICE POLICY – (Pages 35 - 42)**

To consider the Audit Manager's Report No. AUD2101 (copy attached), which sets out the Council's Bring Your Own Device Policy for approval. The Report will be presented by Mr. Nick Harding, Head of IT, Facilities and Projects.

4. **STATEMENT OF ACCOUNTS 2019/20 - UPDATE 2 – (Pages 43 - 48)**

To receive the Executive Head of Finance's Report No. FIN2107 (copy attached), which gives details of audit progress for the Council's Statement of Accounts for 2019/20 and the provision of the audit opinion.

5. **AUDIT PLAN 2021/22 – (Pages 49 - 56)**

To consider the Internal Audit Manager's Report No. AUD2102 (copy attached) which sets out the Internal Audit Plan for 2021/22.

6. **ANNUAL GOVERNANCE STATEMENT - ACTION PLAN UPDATE – (Pages 57 - 64)**

To receive the Audit Manager's Report No. AUD2103 (copy attached), setting out work carried out towards the implementation of the actions detailed in the Annual Governance Statement, originally presented to the Committee in July 2020.

7. **FUTURE ARRANGEMENTS FOR THE LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE – (Pages 65 - 80)**

To consider the Joint Report (No. DC2109 – copy attached) of the Head of Democracy and Community and the Monitoring Officer, which sets out proposals for the future arrangements for the Committee.

8. **EXTENSION OF TERM OF OFFICE FOR DESIGNATED INDEPENDENT PERSON – (Pages 81 - 84)**

To consider the Joint Report (No. DC2110 – copy attached) of the Head of Democracy and Community and the Monitoring Officer, which recommends a two-year extension to the term of office for the Council's Designated Independent Person – Mrs. Mary Harris.

## **PUBLIC PARTICIPATION AT MEETINGS**

Members of the public may ask to speak at the meeting on any of the items on the agenda by writing to the Committee Administrator at the Council Offices, Farnborough by 5.00 pm two working days prior to the meeting.

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# LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 25th January, 2021 via Microsoft Teams and streamed live at 7.00 pm.

## **Voting Members**

Cllr S.J. Masterson (Chairman)  
Cllr Mara Makunura (Vice-Chairman)

Cllr Sophia Choudhary  
Cllr A.K. Chowdhury  
Cllr A.H. Crawford  
Cllr Veronica Graham-Green  
Cllr Christine Guinness  
Cllr A.J. Halstead  
Cllr L. Jeffers  
Cllr Jacqui Vosper

Apologies for absence were submitted on behalf of Cllr Prabesh KC.

## **19. MINUTES**

The Minutes of the meeting held on 23rd November, 2020 were approved and would be signed by the Chairman at a later date.

## **20. SELECTION OF MAYOR AND DEPUTY MAYOR 2021/2022**

The Chief Executive reported on the outcome of the selection process for the Mayor-Elect and the Deputy Mayor-Elect for 2021/22. The appropriate Members on the seniority list had been contacted and Cllr C.P. Grattan was the next Member able to accept the nomination for Deputy Mayor. Through normal progression, Cllr B.A. Thomas, currently Deputy Mayor, would progress to the position of Mayor for 2021/22.

The Committee **RECOMMENDED TO THE COUNCIL** that:

- (i) Cllr B.A. Thomas be appointed as Mayor-Elect for the 2021/22 Municipal Year; and
- (ii) Cllr C.P. Grattan be appointed as Deputy Mayor-Elect for the 2021/22 Municipal Year.

## **21. REVIEW OF RUSHMOOR'S POLLING DISTRICTS AND POLLING PLACES**

The Committee considered the Head of Democracy and Community's Report No. DCS2102, which recommended changes to the arrangements for polling districts

and places following a review that had been undertaken by the Elections Group and other Members of the Council.

The Committee was advised that, in carrying out the review, consideration had been given to a range of issues with specific regard to the criteria of:

- using existing polling places where possible
- accessibility for electors
- avoiding the use of mobile stations/temporary structures
- ensuring the facilities meet the requirements of a range of electoral events

The stages of the review process were as follows:

- notification of the review primarily through the Council's website and online media
- consultation process with stakeholders and the local community
- preliminary consideration by the Elections Group
- discussion with Ward Members where issues were raised through the consultation to consider the issues and to finalise proposed polling districts and places
- review meeting by the Elections Group on 13th January 2021
- recommendation to the Licensing, Audit and General Purposes Committee (25th January 2021) and the Council on 25th February 2021.

The Report set out a schedule of all the polling places in the Borough, which largely met the criteria established at the start of the review process and the number of changes proposed was minimal. Following consideration by the Elections Group, it was proposed that there should be two new polling places: Parsonage Farm Nursery and Infant School (St. John's Ward) and Elim Pentecostal Church Hall (North Town Ward). The Group was also recommending a change to the polling district of St John's Ward.

The Elections Group had also been advised that Ascension Church Hall (Rowhill Ward) would not be available for use in 2021 and consideration was being given to the use of a temporary arrangement, and this was likely to be the Aldershot Traction Club.

The Head of Democracy and Community advised the Committee that, in Wellington Ward, the Elections Group had agreed that consideration should be given in the future to an additional polling place in Wellesley when the population there increased. The Committee noted that Princes Hall was currently in use as a vaccination centre and, after consideration by the Elections Group of possible other polling place locations, it had been agreed that another location would be used within Princes Hall for a polling place.

**RESOLVED:** That the Council be **RECOMMENDED TO APPROVE** the proposed changes to polling districts and polling places, as set out in the Head of Democracy and Community's Report No. DCS2102.

## 22. **UPDATE ON THE LOCAL GOVERNMENT ASSOCIATION MODEL CODE AND DRAFT NEW CODE OF CONDUCT FOR MEMBERS**

The Committee considered the Monitoring Officer's Report No. LEG2101, which recommended the approval of a draft new Code of Conduct for Councillors for a six-week period of consultation with Councillors, members of the public, community organisations and neighbouring authorities. Following the consultation exercise, a final draft new Code would then be considered by the Committee on 29th March 2021 for recommendation for adoption by the full Council at the meeting on 22nd April 2021.

The Report advised Members that the current Code of Conduct for Councillors required updating and being consulted upon in line with the best practice recommendations of the Committee on Standards in Public Life following their report into Ethical Standards in Local Government. A new Model Councillor Code of Conduct had been produced by the Local Government Association, designed to protect a councillor's democratic role, encourage good conduct and safeguard the public's trust in local government. The new draft Code also sought to reassure members of the public that those they elected would be accountable in meeting the behaviours set out in the Seven Principles of Public Life and taking decisions in a fair and transparent way.

Rushmoor's draft new Code of Conduct for Councillors, as set out in the Report, mirrored the Local Government Association's Model Code and had been produced for consideration and consultation in order to finalise a new Code for adoption by the Council.

The Committee was advised that the draft new Code applied to all forms of communication and interaction, including social media communications. The draft Code set out the minimum standards of conduct required of councillors with guidance on the reasons for the obligations and how they should be followed. If a councillor's conduct fell short of these standards it was made clear that, on receipt of any complaint, this might result in action being taken. The obligations included:

- treating others with respect
- not bullying or harassing anyone
- the promotion of equalities
- not attempting to compromise the impartiality of anyone working for, or on behalf of, the Council
- confidentiality
- not using knowledge gained solely as a result of being a councillor for the advancement of self or others
- not preventing anyone from getting information they were entitled to by law
- not bring role of the Council into disrepute
- not use or attempt to use the position of councillor improperly to the advantage/disadvantage of themselves or others
- not misuse Council resources
- undertake training on the Code
- co-operate with any investigation under the Code

- register and disclose interests
- disclose gifts and hospitality with a value of over £50 within 28 days of receipt and register any significant gift or hospitality offered but that has been refused

In respect of the registration and disclosure of interests, the new Code maintained the legal requirement within 28 days of election or re-election to register Disclosable Pecuniary Interests in accordance with The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. There was also a requirement to register the details of other personal interests. The new Code set out a list and description of these types of interest and also the implications of the existence of such interests in relation to a councillor taking part in any discussion or decision making on a matter in which they have any interest. It was noted that the new draft Code simplified the description and impact of personal interests and did not contain reference to the concept of 'prejudicial interests', in so doing removing the requirement to apply an additional subjective test.

**RESOLVED:** That

- (i) the draft new Code (as set out in the Report) be agreed for public consultation;
- (ii) approval be given to a six-week period of consultation on the draft new Code with Councillors, members of the public, community organisations and neighbouring authorities;
- (iii) following the period of public consultation, a report be brought to the Committee with a final new draft Code for consideration and recommendation to the Council for adoption, if appropriate.

## 23. **INTERNAL AUDIT - AUDIT UPDATE**

The Committee received the Audit Manager's Report No. AUD2101, which provided: an overview of the work carried out by Internal Audit for quarter 3 of 2020/21; an update on the overall progress towards the 2020/21 audit plan; a schedule of work expected to be delivered in Quarter 4; and, an update on counter-fraud work carried out to December 2020.

In respect of the audit assurance opinion given on Alderwood Leisure, the Head of Democracy and Community informed the Committee that action was taking place, with some considerable progress having been made, on many of the issues raised in the audit. He had recommended that a follow-up audit should be carried out on Alderwood Leisure.

During discussion, Members raised questions regarding: the use of the facilities at Alderwood Leisure; pressure on staffing resources within Internal Audit; use of staffing resources from Wokingham Borough Council; the need to build in resilience within the Council's staffing resource; and, the effect of home working on delivering projects and targets.

**RESOLVED:** That the Audit Manager's Report No. AUD2101 be noted.



## 24. **STATEMENT OF ACCOUNTS 2019/20 - UPDATE**

The Committee received the Executive Head of Finance's Report No. FIN2102, which gave an update on audit progress for the Council's Statement of Accounts for 2019/20 and provision of the audit opinion since the meeting on 23rd November 2020.

Members were reminded that, as reported to the meeting on 23rd November 2020, the Council's external auditor opinion was not due to be received until after the statutory deadline, with a commitment to work towards an opinion being available for this meeting. The Committee was advised that there were 265 public bodies that had not received an auditor opinion by 30th November, 2020, which equated to around 55%. This figure had been 43% in 2018/19.

The Report advised that officers and Ernst and Young had worked through a number of audit issues since November with a number of audit areas completed. However, there remained a number of outstanding queries in relation to asset valuations which needed to be resolved before an opinion could be given. It was likely that the Council would need to respond to Ernst and Young on any valuation differences and whether these gave rise to an adjustment to the financial statements. Members were also informed that the Council would also have to provide Ernst and Young with an updated impact on the Council's finances from Covid-19 and any Post Balance Sheet Event given the ongoing risk Covid-19 posed to the Council's financial standing. It was noted that, in order to complete the accounts and audit opinion process, the Statement of Accounts would need to include a detailed Disclosure Note that addressed going concern. A Disclosure Note would be drafted with an updated forward projection of the Council's reserves and balances and a projection of the Council's cashflow and liquidity for the next 12-18 months as well as a forward projection of reserve deployment over the Medium Term Financial Strategy period.

The Committee was advised that, at a meeting with Ernst and Young on 14th January 2021, it had been agreed that the current audit work would be paused until mid-February. This would allow the Finance Team to complete work on the 2021/22 budget setting process unencumbered by other work pressures. The audit would be reconvened in mid-February with the intention to have a scaled-up audit resource to allow the completion of the audit process to be achieved in advance of the next meeting of the Committee on 29th March 2021. Members were reassured that the additional time take was not due to errors, omissions or matters concerning the quality of the final accounts.

**RESOLVED:** That the Executive Head of Finance's Report No. FIN2102 be noted.

## 25. **TREASURY MANAGEMENT AND NON-TREASURY INVESTMENT OPERATIONS 2020/21**

The Committee received the Executive Head of Finance's Report No. FIN2033, which set out the main activities of the Treasury Management and non-Treasury Investment Operations during the first half of 2020/21. The report was a statutory requirement under the CIPFA Code of Practice on Treasury Management.

It was noted that the Council's treasury team continued to concentrate on the security of investments with due regard for the returns available. Increased levels of borrowing meant that the treasury team continually reviewed the borrowing strategy, weighing up interest rate levels and risk of refinancing. During the 2020/21 financial year, short-term interest rate levels had decreased and were forecast to remain low. However, borrowing levels had increased, which raised the refinancing risk. All treasury management decisions were taken with due regard to refinancing risk.

The Committee was advised that total borrowing at 30<sup>th</sup> September 2020 was £87.0 million, which represented a decrease of £3.0 million from the 2019/20 year-end position. Year-end borrowing was forecast to be £116.7 million below estimated levels due to the timing of investment property purchases. The lower level of borrowing and lower interest rates had resulted in forecast interest cost of borrowing reducing by £0.5 million. The Council was forecast to have non-treasury investments risk exposure of £1.32 million, of which £91.6 million was funded via external loans. The return of non-treasury investments was forecast to be below estimated return for 2020/21 due to the deferral of interest on the Farnborough International Loan until 2026.

During discussion, questions were raised regarding: where the Council stood in relation to other authorities within the Arlingclose portfolio in respect of capital appreciation; the forecast proportion of gross service expenditure funded by investment activity; and, the market commentary provided by the Council's treasury management advisors (Arlingclose). The Executive Head of Finance undertook to contact Members of the Committee by email on the issues raised.

**RESOLVED:** That the Executive Head of Finance's Report No. FIN2033 be noted.

## 26. **TREASURY MANAGEMENT STRATEGY 2021/22 - UPDATE**

The Committee received the Executive Head of Finance's Report No. FIN2103, which advised Members of the anticipated changes to be made to the Council's Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy for 2021/22 taking into account the current economic outlook, the impact from Covid-19 and the Council's budget and medium term financial forecasts.

The Committee was advised that the significant changes to the Treasury Management Strategy would be due to the revised Public Works Loan Board Lending Terms. The new lending terms had taken effect for all Public Works Loan Board loans from 26<sup>th</sup> November 2020. The lending terms were more restrictive and would require the Council to review its capital expenditure and financing plans. However, the Government would, as a result of the reforms, lower the interest rate of Public Works Loan Board lending by 100bps (1.00%) for all new loans arranged from 26<sup>th</sup> November 2020 that had been announced by the Government in the Spending Review on 25<sup>th</sup> November 2020. The new lending terms reflected the Government's view that local authorities should not undertake capital expenditure on investments assets that would be held primarily for yield. The lending terms set out four broad areas of activity that would be supported: service spending; housing; regeneration projects; and, preventative action.

It was noted that, as a result of these changes, the Capital Strategy, Capital Programme and the Treasury Management Strategy and Annual Non-Treasury Investment Strategy would be amended to explicitly remove any capital expenditure activity that was not compliant with the new lending terms.

The Committee was also advised that the Strategy would also be amended to reflect updated forecasts for investment income (from Pooled Funds in particular), borrowing requirement and other prudential indicators. The Strategy would also need to revise the Borrowing Strategy in the light of interest rate forecasts and the changes to the Public Works Loan Board Lending Terms.

The Treasury Management Strategy would be considered by the Cabinet and Council in February 2021. However, it was likely that the Strategy would require significant updates during the 2021/22 financial year given the decisions that were likely to come forward on the Union Street and Civic Quarter regeneration schemes. Given the scale and complexity of these regeneration schemes, they would not be included in the Capital Programme and would be brought forward to the Cabinet and Council in due course upon completion of the due diligence work.

**RESOLVED:** That the Executive Head of Finance's Report No. FIN2103 be noted.

## 27. **APPOINTMENTS TO OUTSIDE BODIES**

**RESOLVED:** That the appointment of Cllr Marina Munro (Portfolio Holder for Planning and Economy) to a vacancy on the Police and Crime Commissioner Panel Hampshire Gypsy and Traveller Community Support Panel for the remainder of the 2020/21 Municipal Year be noted.

The meeting closed at 8.32 pm.

CLLR S.J. MASTERSON (CHAIRMAN)

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**LICENCING, AUDIT & GENERAL  
PURPOSES COMMITTEE  
29<sup>TH</sup> MARCH 2021**

**MONITORING OFFICER  
REPORT NO: LEG2101**

## **FOLLOW UP REPORT ON DRAFT NEW CODE OF CONDUCT FOR MEMBERS**

### **SUMMARY:**

Further to the Monitoring Officer's Report of 25<sup>th</sup> January 2021, which was considered by the Committee at its last meeting, and as agreed, there has been a period of consultation on a draft new Code of Conduct for Councillors ('the draft new Code') mirroring a new Model Code produced by the Local Government Association. Information on the extent of the consultation and the responses received is within this report.

### **RECOMMENDATION:**

1. That the Committee consider whether they wish to make any changes to the proposed draft new Code in light of the responses to the consultation or otherwise from this Committee's consideration of the draft new Code;
2. That the Committee recommend to the Council that the draft new Code be adopted as is, or with any changes the Committee wish to make, as appropriate.

## **1. INTRODUCTION**

- 1.1 At the end of last year the Local Government Association (LGA) published a new Model Code of Conduct for Councillors after extensive consultation. The Model Code was developed in order to support local government to continue to aspire to high standards of leadership and performance taking account of the Committee on Standards in Public Life 2019 report on Ethical Standards in Local Government. The current Council Member of Code of Conduct requires to be updated to meet best practice recommendations flowing from that Report including a prohibition on bullying and harassment; a requirement for councillors to comply with any formal standards investigation and a prohibition re trivial or malicious allegations by Councillors.
- 1.2 In January Members of this Committee approved the draft new Code of Conduct for Members of Rushmoor Borough Council (Appendix A) and a period of consultation was undertaken. That consultation is in its last week. Members should note that only 5 responses have been received not all of which were relevant to the proposed update to the Code and the comments that were received can be viewed in Appendix B. Any responses received after publication of this Report will be verbally reported at the meeting by way of an update.

## **2. CONSULTATION**

- 2.1 There is a consultation page on the Council's website accessible from a link on the home page and which will remain 'live' until 5pm on Friday 26<sup>th</sup> March: <https://www.rushmoor.gov.uk/codeofconduct> The consultation and this link was notified to Members by the Chief Executive in his newsletter of 5<sup>th</sup> March. There have been in excess of 227 views of the webpage. In addition the Communications Team have written to some 3,000 residents who have asked to be kept up to date on Council news and consultations being undertaken by the Council. There has also been a social media campaign offering residents and interested parties the opportunity to air their views on the proposed new Code. The Monitoring Officer has also contacted a number of local and partner organisations asking for their views. These include the Hampshire Police, Citizens Advice, the Garrison, Rushmoor Voluntary Services, the Nepali Community, Farnborough 6<sup>th</sup> Form College and some of the churches in the Borough.

## **3. SUMMARY OF RESPONSES**

- 3.1 The Committee will note there have been only 4 responses received and these are set out in the appendix in a table with comments from the Corporate Manager – Legal against each. It is considered that the Code as drafted provides safeguards around each of the concerns listed. These responses are believed to be from local residents.

## **4. CONCLUSION**

- 4.1 Members are requested to consider whether they wish any changes made to the draft Code in light of the responses received and thereafter to consider the recommendation to Full Council to adopt the new Model Code of Conduct for Councillors as drafted, or as amended, as appropriate.

### **BACKGROUND DOCUMENTS:**

1. *Report to Licensing Audit and General Purposes Committee of 25<sup>th</sup> January 2021.*
2. *Local Government Association Model Member Code of Conduct Consultation May 2020*
3. *LGA Model Councillor Code of Conduct December 2020*
4. *Report of the Parliamentary Committee on Standards in Public Life Report on Local Government Ethical Standards January 2019.*

### **CONTACT DETAIL:**

Ian Harrison, Monitoring Officer  
[ian.harrison@rushmoor.gov.uk](mailto:ian.harrison@rushmoor.gov.uk)

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**RUSHMOOR BOROUGH COUNCIL  
MEMBERS' CODE OF CONDUCT 2021  
(CONSULTATION DRAFT)**

## **Definitions**

For the purposes of this Code of Conduct, a “councillor” means a member or co-opted member of a local authority. A “co-opted member” is defined in the Localism Act 2011 Section 27(4) as “a person who is not a member of the authority but who

- a) is a member of any committee or sub-committee of the authority, or;
- b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority

and who is entitled to vote on any question that falls to be decided at any meeting of that committee or sub-committee”.

## **Purpose of the Code of Conduct**

The purpose of this Code of Conduct is to assist you, as a councillor, in modelling the behaviour that is expected of you, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken against you. It is also to protect you, the public, fellow councillors, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and your specific obligations in relation to standards of conduct. The LGA encourages the use of support, training and mediation prior to action being taken using the Code. The fundamental aim of the Code is to create and maintain public confidence in the role of councillor and local government.

## **General principles of councillor conduct**

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the Seven Principles of Public Life, also known as the Nolan Principles.

Building on these principles, the following general principles have been developed specifically for the role of councillor.

In accordance with the public trust placed in me, on all occasions:

- I act with integrity and honesty
- I act lawfully
- I treat all persons fairly and with respect; and
- I lead by example and act in a way that secures public confidence in the role of councillor

In undertaking my role:

- I impartially exercise my responsibilities in the interests of the local community
- I do not improperly seek to confer an advantage, or disadvantage, on any person



- I avoid conflicts of interest
- I exercise reasonable care and diligence; and
- I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest

### **Application of the Code of Conduct**

This Code of Conduct applies to you as soon as you sign your declaration of acceptance of the office of councillor or attend your first meeting as a co-opted member and continues to apply to you until you cease to be a councillor.

This Code of Conduct applies to you when you are acting in your capacity as a councillor which may include when:

- You misuse your position as a councillor
- Your actions would give the impression to a reasonable member of the public with knowledge of all the facts that you are acting as a councillor;

The Code applies to all forms of communication and interaction, including:

- At face-to-face meetings
- At online or telephone meetings
- In written communication
- In verbal communication
- In non-verbal communication
- In electronic and social media communication, posts, statements and comments.

You are also expected to uphold high standards of conduct and show leadership at all times when acting as a councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer or your two Deputy Monitoring Officers on any matters that may relate to the Code of Conduct.

### **Standards of councillor conduct**

This section sets out your obligations, which are the minimum standards of conduct required of you as a councillor. Should your conduct fall short of these standards, a complaint may be made against you, which may result in action being taken.

Guidance is included to help explain the reasons for the obligations and how they should be followed.

### ***General Conduct***

#### **1. Respect**

**As a Councillor:**

- 1.1** I treat other councillors and members of the public with respect
- 1.2** I treat local authority employees, employees and representatives of partner organisations and those volunteering for the local authority with respect and respect the role they play

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors.

In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to the local authority, the relevant social media provider or the police. This also applies to fellow councillors, where action could then be taken under the Councillor Code of Conduct, and local authority employees, where concerns should be raised in line with the local authority's councillor-officer protocol.

**2. Bullying, harassment and discrimination****As a Councillor:**

- 2.1** I do not bully any person
- 2.2** I do not harass any person
- 2.3** I promote equalities and do not discriminate unlawfully against any person

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

### **3. Impartiality of officers of the council**

#### **As a Councillor:**

**3.1** I do not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority

Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

### **4. Confidentiality and access to information**

#### **As a Councillor:**

**4.1** I do not disclose information:

- a) Given to me in confidence by anyone
- b) Acquired by me which I believe, or ought reasonably to be aware, is of a confidential nature, unless
  - i. I have received the consent of a person authorised to give it;
  - ii. I am required by law to do so;
  - iii. The disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
  - iv. The disclosure is:
    1. Reasonable and in the public interest; and
    2. Made in good faith and in compliance with the reasonable requirements of the local authority; and
    3. I have consulted the Monitoring Officer prior to its release.

**4.2** I do not improperly use knowledge gained solely as a result of my role as a councillor for the advancement of myself, my friends, my family members, my employer or my business interests

**4.3** I do not prevent anyone from getting information that they are entitled to by law.

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that

discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

## **5. Disrepute**

### **As a Councillor:**

**5.1** I do not bring my role or local authority into disrepute.

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other councillors and/or your local authority and may lower the public's confidence in your or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest and/or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the council whilst continuing to adhere to other aspects of this Code of Conduct.

## **6. Use of position**

### **As a Councillor:**

**6.1** I do not use, or attempt to use, my position improperly to the advantage or disadvantage of myself or anyone else.

Your position as a member of the local authority provides you with certain opportunities, responsibilities and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

## **7. Use of local authority resources and facilities**

### **As a Councillor:**

**7.1** I do not misuse council resources.

**7.2** I will, when using the resources of the local authority or authorising their use by others:

- a) act in accordance with the local authority's requirements; and
- b) ensure that such resources are not used for political purposes unless that use could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of the local authority or of the office to which I have been elected or appointed.

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a councillor.

Examples include:

- Office support
- Stationery
- Equipment such as phones, and computers
- Transport
- Access and use of local authority buildings and rooms

These are given to you to help you carry out your role as a councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the local authority's own policies regarding their use.

## **8. Complying with the Code of Conduct**

**As a Councillor:**

- 8.1** I will undertake Code of Conduct training provided by my local authority
- 8.2** I will cooperate with any Code of Conduct investigation and/or determination
- 8.3** I do not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or proceedings
- 8.4** I will comply with any sanction imposed on me following a finding that I have breached the Code of Conduct

It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer or the Deputy Monitoring Officers.

Protecting your reputation and the reputation of the local authority.

## **9. Interests**

**As a Councillor:**

- 9.1** I register and disclose my interests

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable. You are personally responsible for deciding whether or not you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open

and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

You should note that failure to register or disclose a disclosable pecuniary interest as set out in Table 1, is a criminal offence under the Localism Act 2011.

Appendix B sets out the detailed provisions on registering and disclosing interests. If in doubt, you should always seek advice from your Monitoring Officer.

## **10. Gifts and hospitality**

### **As a Councillor:**

- 10.1** I do not accept gifts or hospitality, irrespective of estimated value, which could give rise to real or substantive personal gain or a reasonable suspicion of influence on my part to show favour from persons seeking to acquire, develop or do business with the local authority or from persons who may apply to the local authority for any permission, licence or other significant advantage
- 10.2** I register with the Monitoring Officer any gift or hospitality with an estimated value of at least £50 within 28 days of its receipt
- 10.3** I register with the Monitoring Officer any significant gift or hospitality that I have been offered but have refused to accept

In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer or Deputy Monitoring Officers for guidance.

## **Appendices**

### **Appendix A – The Seven Principles of Public Life**

The principles are:

**Selflessness**

Holders of public office should act solely in terms of the public interest.

**Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must disclose and resolve any interests and relationships.

**Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

**Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

**Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

**Honesty**

Holders of public office should be truthful.

**Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

**Appendix B – Registering Interests**

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out

in **Table 1 (Disclosable Pecuniary Interests)** which are as described in “The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012”. You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

“**Disclosable pecuniary interest**” means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in **Table 1** below.

“**Partner**” means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A ‘sensitive interest’ is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a ‘sensitive interest’ you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

#### **Non-participation in case of disclosable pecuniary interest**

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a ‘sensitive interest’, you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

#### **Disclosure of other registerable interests**

6. Where a matter arises at a meeting which ***directly relates*** to one of your Other Registerable Interests (as set out in Table 2), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a ‘sensitive interest’, you do not have to disclose the nature of the interest.

#### **Disclosure of non-registerable interests**



7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which **affects** –
  - a) your own financial interest or well-being;
  - a) A financial interest or well-being of a friend, relative, close associate; or
  - b) A body included in those you need to disclose under Disclosable Pecuniary Interests as set out in **Table 1**

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter **affects** your financial interest or well-being:
  - a) To a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
  - b) A reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must make sure that any written statement of that decision records the existence and nature of your interest.

### Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

| Subject | Description |
|---------|-------------|
|---------|-------------|

|  |  |
|--|--|
| <b>Employment, office, trade, profession or vocation</b> | Any employment, office, trade, profession or vocation carried on for profit or gain.<br>[Any unpaid directorship.]   |
| <b>Sponsorship</b>                                       | Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses.<br><br>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.  |
| <b>Contracts</b>   | Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the Council —<br>(a) under which goods or services are to be provided or works are to be executed; and<br>(b) which has not been fully discharged. |
| <b>Land and Property</b>                                 | Any beneficial interest in land which is within the area of the Council.<br><br>'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.  |
| <b>Licences</b>  | Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.  |
| <b>Corporate tenancies</b>                               | Any tenancy where (to the councillor's knowledge) -<br>(a) the landlord is the council; and<br>(b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.   |

|                          |   |
|--------------------------|---|
| <p><b>Securities</b></p> | <p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either -</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p> |
|--------------------------|---|

\* ‘director’ includes a member of the committee of management of an industrial and provident society.

\* ‘securities’ means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

**Table 2: Other Registerable Interests**

|   |
|---|
| <p>You have a personal interest in any business of your authority where it relates to or is likely to affect:</p> <p>a) Anybody of which you are in general control or management and to which you are nominated or appointed by your authority</p> <p>b) Anybody</p> <p>(i) Exercising functions of the public nature</p> <p>(ii) Exercising functions of a public nature</p> <p>(iii) One of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)</p> |
|---|

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**LICENCING, AUDIT & GENERAL  
PURPOSES****MONITORING OFFICER  
REPORT NO: LEG2101****25<sup>th</sup> JANUARY 2021****UPDATE ON THE LOCAL GOVERNMENT ASSOCIATION MODEL CODE AND  
DRAFT NEW CODE OF CONDUCT FOR MEMBERS****SUMMARY:**

The current Code of Conduct for Councillors requires to be updated and consulted upon in line with the best practice recommendations of the Committee on Standards in Public Life following their report into Ethical Standards in Local Government. A new Model Councillor Code of Conduct ('Model Code') has been produced by the Local Government Association. This is designed to protect Councillor's democratic role, encourage good conduct and safeguard the public's trust in local government. A draft new Code of Conduct for Councillors ('the draft new Code') mirroring this Model Code has been produced for consideration and for consultation in order to finalise a new Code for adoption by Council in due course.

**RECOMMENDATION:**

That the terms of the draft new Code be noted and agreed for consultation. Further, that the Committee agree a six-week period of consultation with Councillors, members of the public, community organisations and neighbouring authorities on the draft new Code. Following this, a report to be brought to the meeting of the Licensing Audit and General Purposes Committee on the 29<sup>th</sup> March 2021 with a final draft new Code, taking into account responses to the consultation for consideration and recommending the adoption of a new Code of Conduct by Council if appropriate.

**1. INTRODUCTION**

- 1.1 The Local Government Association (LGA) has published a new Model Code of Conduct after extensive consultation across the sector during the Summer of 2020. The Model Code was developed in order to support local government to continue to aspire to high standards of leadership and performance. The Committee on Standards in Public Life (CoSPL) reported on Ethical Standards in Local Government in 2019 and this report has informed the work of the LGA in producing a Model Code. The CoSPL report included 15 best practice recommendations in relation to the standards regime and ethical practice which they expect every local authority to implement. The current Rushmoor Member

of Code of Conduct requires to be updated to meet certain of these best practice recommendations in relation to prohibitions on bullying and harassment; a requirement for councillors to comply with any formal standards investigation and a prohibition re trivial or malicious allegations by Councillors. The publication of the Model Code presents the opportunity to both meet the best practice recommendations of the CoSPL and to modernise the Rushmoor Code, providing a very clear framework for all members in upholding the ethical values set out in the Model Code and clear guidance on meeting the Seven Principles of Public Life.

- 1.2 The stated purpose of the new Model Code is to assist councillors to make clear the behaviour that is expected of them, to provide a personal check and balance, and to set out the type of conduct that could lead to action being taken under the Code. It also seeks to protect councillors, the public, local authority officers and the reputation of local government. It sets out general principles of conduct expected of all councillors and specific obligations in relation to standards of conduct. The fundamental stated aim of the Code is to create and maintain public confidence in the role of councillor and local government.

## **2. BACKGROUND**

- 2.1 The current Code of Conduct for Councillors applies to all Members and Co-opted Members of the Council when acting in their official capacity, or when giving the impression that they are acting as a representative of the Council. The current Code provides a list of general obligations for all Members of the Council to comply with including valuing colleagues and officers and treating everyone with respect and propriety. It focusses very much on declarations of interest and the impact of certain interests on the Member's ability to take part in the decision-making process. It does not positively state the commitment of elected Members as to the standards of behaviour that is expected of those elected to serve in public office nor give examples to guide. As such it does not meet the requirements of the CoSPL best practice recommendation in relation to providing clear guidance on preventing bullying and harassment.

## **3. THE COMMITTEE ON STANDARDS IN PUBLIC LIFE**

- 3.1 The recommendation from the CoSPL is that all local authorities should include a prohibition on bullying and harassment in codes of conduct with a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by the definition so that it is very clear what harm this seeks to address. A further recommendation of the CoSPL is that councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation and prohibiting trivial or malicious allegations by councillors.
- 3.2 The CoSPL highlighted in their report the danger of drawing too narrow a scope for the application of the Code of Conduct as this make it difficult to effectively deal with some instances of poor behaviour particularly in relation to social media use. The CoSPL recognised the question of public and private capacity raised significant issues about the responsibilities of elected representatives. It

said that whilst democratic representatives need to have their right to free speech and freedom of expression protected, the public interest demands that they meet certain responsibilities in that role.

- 3.3 The CoSPL recognises the widespread use of social media presents a particular challenge to deciding whether a code of conduct applies to instances of behaviour. In line with the guidance provided in Wales, the CoSPL consider that when a social media account identifies the individual as a councillor or an individual makes comments related to their role as a councillor, then the code of conduct applies.
- 3.4 The CoSPL also recognises that an individual's private life – that is, private behaviour in a personal capacity – should remain out of scope. This includes, for example, what is said in private conversations (where those conversations are not in an official capacity), but it says that those in high-profile representative roles, such as councillors, should consider that their behaviour in public is rightly under public scrutiny and should adhere to the Seven Principles of Public Life. This includes any comments or statements in print, and those made while speaking in public or on publicly accessible social media sites.
- 3.5 This does not, however, mean that councillors should be censured just because an individual dislikes or disagrees with what they say; standards in public life do not extend to adjudicating on matters of political debate. Controversial issues must be able to be raised in the public sphere, and councillors should have their right to form and hold opinions respected. Established rights to freedom of expression must be respected by councils when adjudicating on potential misconduct, considering the heightened protection granted to political expression.
- 3.6 The Committee on Standards in Public Life accordingly recommended that Councillors should be presumed to be acting in an official capacity in their public conduct, including statements on publicly accessible social media.

#### **4. THE CONSULTATION DRAFT COUNCILLOR CODE OF CONDUCT**

- 4.1 The consultation draft new Code mirrors the Model Code of Conduct produced by the LGA and is appended to this report. Members will note the layout commences with a reference to the general principles of councillor conduct and the need to uphold the **Seven Principles of Conduct in Public Life**, also known as the Nolan Principles. These are appended to the draft new Code as they are in the current Code however in the new Code there is a greater emphasis on the link to the principals of the role of councillor set out in the Code. This focus on councillor conduct is helpful clarification for members given that the Nolan Principles are quite high level as they apply to all of those who serve the public or deliver public services.
- 4.2 The draft new Code applies to councillors acting in their capacity as a councillor including when a councillor misuses their position as a councillor and also where the actions of the councillor give the impression to a reasonable member

of the public with knowledge of all the facts that the councillor is acting as a councillor.

- 4.3 The draft new Code is written in the first person and runs clearly through when it will apply and the fact that it applies to **all** forms of communication and interaction with a list including social media communication. The draft new Code sets out the **minimum** standards of conduct required of councillors with guidance on the reasons for the obligations and how they should be followed. If a councillor's conduct falls short of these standards it is made clear that on receipt of any complaint, this may result in action being taken.
- 4.4 The obligations include treating others with respect; not bullying or harassing anyone and the promotion of equalities; not attempting to compromise the impartiality of anyone working for, or on behalf of, the Council. There is an obligation of confidentiality, and not using knowledge gained solely as a result of being a councillor for advancement of self or others; and not preventing anyone from getting information they are entitled to by law. A councillor must not bring their role of the council into disrepute nor must they use or attempt to use their position improperly to the advantage/disadvantage of themselves or others. A councillor must not misuse council resources. A councillor is required to undertake training on the code and cooperate with any investigation under the code. A councillor is obliged to register and disclose interests and disclose gifts and hospitality with a value of £50 within 28 days of receipt and register any significant gift or hospitality that they have been offered but have refused to accept.

## **5. REGISTRATION AND DISCLOSURE OF INTERESTS**

- 5.1 The new draft Code maintains, as it must do, the legal requirement within 28 days of election or re-election to register Disclosable Pecuniary Interests in accordance with The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. There is also a requirement to register the details of other personal interests which are referred to as 'Other Registrable Interests'. A list and description of these types of Interest are contained within tables in the new draft Code.
- 5.2 The new draft Code clearly sets out the implications of the existence of such interests in relation to a councillor taking part in any discussion or decision making on a matter in which they have any interest.
- 5.3 The new draft Code simplifies the description and impact of personal interests and does not contain reference to the concept of 'prejudicial interests' which are somewhat difficult to navigate in the current Code. In so doing it removes the requirement to apply an additional subjective test.

## **6. SUMMARY AND RECOMMENDATIONS**

- 6.1 The new draft Code simplifies and provides timely helpful clarification and guidance to members in navigating their role in a time of growing social media use and potential for intimidation and abuse. At the same time the new draft



Code seeks to reassure members of the public that those they elect will be accountable in meeting the behaviours set out in the Seven Principles of Public Life and taking decisions in a fair and transparent way.

- 6.2 It is recommended that the terms of the draft new Code be noted and agreed for consultation. Further, that the Committee agree a six-week period of consultation with Councillors, members of the public, community organisations and neighbouring authorities on the draft new Code. Following this, a report to be brought to the meeting of the Licensing Audit and General Purposes Committee on the 29<sup>th</sup> March 2021 with a final draft new Code, taking into account responses to the consultation for consideration and recommending the adoption of a new Code of Conduct by Council if appropriate.

#### **BACKGROUND DOCUMENTS:**

1. *Local Government Association Model Member Code of Conduct Consultation May 2020*
2. *LGA Model Councillor Code of Conduct December 2020*
3. *Report of the Parliamentary Committee on Standards in Public Life Report on Local Government Ethical Standards January 2019.*

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## CONSULTATION EXERCISE - COMMENTS RECEIVED

| Responses received to consultation   | Response to comments   |
|--|--|
| <p>1.“Councillors should not be able to be both local and county councillors as there is a potential / actual conflict of interest or even local favouritism in some circumstances.</p> <p>Having a practice of allowing multiple councillors from the same family should be stopped. It allows single families to wield too much influence and power. It’s just plain wrong.</p> <p>Councillors should have to declare interests more widely than their immediate family and remove themselves from decision making when there is even just a slight possibility that it could be seen as contentious. This should extend to local party members (aka mates and other relatives) who can wield undue influence over councillors.</p> <p>Councillors should not be able to stand for more than a set number of terms (say 3 - that’s 12 years): They are there to hold local government to account rather than build empires around themselves and a fresh perspective is often beneficial for all.”</p> | <p>This is outside the scope of the review of the Code of Conduct and is governed by primary legislation.</p> <p>There is no scope to introduce a limitation on numbers within the remit of the Code of Conduct regarding member conduct and declaration of interests.</p> <p>Members should note that the requirement of the code is to declare an interest where a matter <b>directly affects OR relates to</b> a financial interest or well-being of a <b>relative or close associate</b>. (Emphasis added) This therefore already provides some accountability in relation to family members, and friends who would be covered by the phrase ‘close associates’.</p> <p>This is outside the scope of the review of the Code of Conduct and is governed by primary legislation.</p> |
| <p><b>2. <u>Vested Interests</u></b></p> <p>Local politicians are motivated to serve in many ways. The ghastly words” open and transparent” are used when someone anticipates being found out to be the opposite. Better to understand just how much those weasel words mean in real life is for councillors to list their outside interests. These to include:</p>  | <p>The draft Code provides for Members to declare a personal interest “in any business of your authority where it relates to or is likely to affect:</p>   |

Membership of lobby groups

RSPB

RSPCA

Greenpeace

Friends of the Earth

Extinction Rebellion

Trades Union Officials

Paid up Political Party membership (Conservative, Labour, Lib Dem, etc)

National Union of Students

Noise Abatement Society

Natural England Official

Ramblers Association membership

Cycling Association membership

RAC Competition Licence holder

An example of the consequences of accepting a lobby group

The huge desire to see everyone walking or on bikes is laudable, but only as a recreational ideal is it likely to be widely practical.

Your Council Car Park outside Covid times is usually packed, with visitors parking limited to some 10 spaces. I don't see bike racks outside or round the back. Ever tried carrying a weekly shop on a bike, or on foot? The latter OK if it's a 10 minute walk, but not for town centre shopping. Prices Mead and B&Q car parks are usually packed, and it is of necessity, not for a drive in the country. I can't ride a bike. There is plenty of room and space as it is for loads of walkers and cyclists, but, frankly, you don't see them. Yet an enthusiast in Lycra plus cycle clips is likely to be highly vociferous in pursuit of ensuring that their passion for two wheels, or just a pair of feet. Fine, but let you espoused independence of thought and action have a few teeth, eh?

We need four wheels. Electric, ICE, Hybrid. Taxi, Bus. Emergency Services. Delivery vehicles. They are not an indulgence, but a

a) any body of which you are in general control or management and to which you are nominated or appointed by your authority

b) any body

i) exercising functions of a public nature

ii) any body directed to charitable purposes or

iii) **one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)**" (Emphasis added)

The list of examples of lobbying groups provided in this response are covered by the requirement to declare a personal interest.

Furthermore, the Code requires Members to apply an additional test Where a matter **affects your financial interest or well-being:**

a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;

b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

necessity. Keep them moving, accommodate them, don't imprison them. Short cuts are just that. In, out, gone. Not stuck up a cul-de-sac. Not stuck in a traffic jam. Not getting road rage.

Accordingly it is a matter for Members to consider their position on any given decision where they have declared a personal interest and the Code provides this to include membership of lobbying groups of the type described by the respondent.

3. "The Model Code of Conduct is a balanced set of rules and regulations for Councillors to follow. I haven't compared it to what rules and regulations are currently in place for Councillors, so am unable to comment on any differences.

It makes sense to me for all Local Authorities to follow the same generic rules, but if this not practical then certainly those adjacent to each other should."

For noting

For noting

4. I am happy with the LGA model, and just have the following minor comments:

7.2 - I think the word 'authority' should appear after 'local'

Appendix A - Selflessness. I'm not sure what 'in terms of the public interest' means. If it's the same as 'in the public interest', then the two superfluous words should be dropped. If it means something else, then clearer wording is needed

This word is in the Council's draft Code.

This description is taken directly from the Seven Principles of Public Life and it would therefore not be appropriate to change this wording.

Table 2 - I think the left column should read 'Licences' rather than 'Licenses'."

This typo was within Table 1 and had been corrected.

## 'BRING YOUR OWN DEVICE' POLICY

### **SUMMARY:**

A Bring Your Own Device (BYOD) policy has been developed to allow employees, Members and contractors to access Council email's, contacts and calendar using their own mobile devices.

### **RECOMMENDATIONS:**

Members are requested to approve the Council's Bring Your Own Device (BYOD) Policy.

## **1 Introduction**

- 1.1 Rushmoor Borough Council (RBC) recognises that employees, Members and contractors ('users') may wish to use their own mobile devices to access council email, contacts and calendar.
- 1.2 A 'Bring Your Own Device' (BYOD) policy has been developed to allow users the option to use their mobile devices. The policy is contained within Appendix A of this report.

## **2 What is the BYOD**

- 2.1 BYOD refers to any person wishing to use a device owned by someone other than the Council in order to access Council data. The Council can provide access to Outlook email, contacts and calendar through a secure application on your own device.

## **3 User responsibilities**

- 3.1 User responsibilities are defined within the policy but include:
  - Users are responsible for the safekeeping of their own personal data and ensuring that it is backed up.
  - Any sensitive information should not be emailed via the user's mobile device, as it will not be secure. A Council owned and managed Laptop or PC should be used.
  - Users must ensure that their device is compliant with the system requirements and that security software is kept up to date.
- 3.2 User responsibilities, detailed within the policy, have been developed in conjunction with the IT, Legal and Internal Audit. The Policy will be kept under review annually.

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# RUSHMOOR BOROUGH COUNCIL



## Bring Your Own Device BYOD

*N.B. Staff should be discouraged from printing this document. This is to avoid the risk of out of date printed versions of the document. The Intranet should be referred to for the current version of the document.*

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DRAFT

## 1. Introduction

- 1.1 Rushmoor Borough Council (RBC) recognises that employees, Members and contractors ('users') may wish to use their own mobile devices to access council email. This policy outlines the responsibilities of both the device owner and RBC.
- 1.2 Access and continued use of Council data and applications is granted on the condition that device users read, understand, accept and follow the policies and procedures contained within this document. RBC reserves the right to revoke these privileges if device users do not abide by this policy.

## 2. What is BYOD?

BYOD refers to any person wishing to use a device owned by someone other than the Council in order to access Council data. The Council can provide access to Outlook email, contacts and calendar through a secure application on your own device. This policy applies to any user making use of this application.

## 3. Which devices are covered?

- 3.1 Current devices approved for BYOD are Android phones and tablets, iPhones and iPads. Users must ensure that devices are kept up to date with the latest operating system. *Because Android devices are less secure than iPhones and iPads, users are required to have anti-malware software installed on their devices.*
- 3.2 As technology improves and newer versions of operating systems are introduced, or vulnerabilities are discovered in existing operating systems then devices should be updated. If not updated, then the device will be deemed as non-compliant and access will be revoked without notice.

## 4. Device user responsibilities

- 4.1 As the user of a device covered by this Policy; you carry specific responsibilities as detailed below:
  - You will not lend anyone your device to access RBC data.
  - Should you sell, recycle, or give away your device, you must notify the IT Service Desk immediately. Failure to do so may result in a loss of Council data and may result in disciplinary action.
  - You should have a 6-digit pin or fingerprint to access your device. In any event, the user will still have to enter a secure PIN or biometric log on to access the application.
  - The application, to access the Council email, is required to automatically lock every 5 minutes of inactivity and will require you to re-enter your pin.
  - In order to setup your device to access your work outlook email, calendar and contacts you will need to enter your network account password. You will be required to change this every 90 days.
  - You are responsible for the safekeeping of your own personal data and ensuring that it is backed up.
  - Any sensitive information should not be emailed via your mobile device, as it will not be secure. A Council owned and managed Laptop or PC should be used.
  - You must ensure that your device is compliant with the system requirements (detailed above) and that security software is kept up to date. Checks will be carried

out by the application software to ensure that your device meets the compliance criteria and if not, the application will automatically stop synchronising.

- You must not use your device to store corporate emails, files or data.
- If any of the following events occur:
  - The device is lost or stolen (which must be reported immediately you become aware)
  - Your employment is terminated without notice
  - You terminate your employment (after your notice period has expired)
  - IT Services detect a data or policy breach or virus,  
IT Services will wipe all Council related data from the device. In so doing, there is a risk that ALL data on the mobile device may be wiped
- All users are expected to use their device in an ethical manner. Using your device in ways not designed or intended by the manufacturer is not allowed. This includes, but is not limited to, 'jailbreaking' your iPhone or 'rooting' your android device. Any devices that become rooted or jail broken will automatically stop synchronising and will be reported to the IT Service Desk.
- All users are responsible for any backups of their data.
- All users must comply with GDPR and Data Protection Act 2018 and Council guidance when using any personal device for work.

## 5. RBC's responsibility

5.1 As the data controller, RBC is responsible for ensuring that all processing for personal data which is under its control remains in compliance with the Data Protection legislation.

## 6. Security incidents

6.1 Several security incidents (data breaches) could occur when using personal devices with RBC's data. If a security incident should occur, e.g. your device is lost or stolen, you must notify your manager - Members should notify the Head of Finance, the Data Protection Officer and the IT Service desk, in line with the Council's [Data Protection Breach Policy](#)

6.2 In the event of any security incidents, IT Services reserve the right to wipe either RBC data or the whole device, if it is deemed necessary. This may impact on the applications and personal data stored on your device. Therefore, it is key to ensure that you regularly back up your device on your own personal laptop.

## 7. Process for requesting access to BYOD

7.1 Requests for BYOD should be made through the IT Service Desk. This policy must be read, and the policy statement in appendix A signed to show acceptance of adhering to the requirements detailed within this policy. An electronic copy of the signed policy statement will be retained.

7.2 Upon receipt of the signed policy statement, the IT Service Desk will decide with you to apply the BYOD software onto your device. For Android devices if anti-virus software is not on your device then this will be installed at this stage prior to the BYOD software being put onto your device.

## 8. RBC's release of liability and disclaimer statement

- 8.1 Rushmoor Borough Council (RBC) hereby acknowledges that the use of a personal device in connection with RBC business carries specific risks for which you, as the device owner and user must assume full liability. These risks include, but are not limited to, the partial or complete loss of data as a result of a crash of the OS, errors, bugs, viruses, and/or other software or hardware failures, or programming errors which could render a device inoperable.
- 8.2 RBC hereby disclaims liability for the loss of any such data and/or for service interruptions. RBC expressly reserves the right to wipe the device management application (or similar applications) at any time as deemed necessary for purposes of protecting or maintaining RBC infrastructure and services.
- 8.3 RBC also disclaims liability for device owner injuries such as repetitive strain injuries developed. RBC provides IT equipment that is suitable for long-term office use.
- 8.4 Device users use them at RBC at their own risk. Device users are expected to act responsibly with regards to their own device, keeping it up to date and as secure as possible. It is their duty to be responsible for the upkeep and protection of their devices.
- 8.5 Device users should be aware that any personal device used at work may be used as evidence in legal action involving the Council. This means that your data could be examined not only by Rushmoor Borough Council but also by other parties involved in the legal action.
- 8.6 RBC will in no way accept responsibility for the following:
- Personal devices that are broken at work or during work related activities
  - Personal devices that are lost or stolen at work or whilst undertaking work related activities
  - Maintenance or upkeep of any device (keeping it charged, installing updates or upgrades, fixing any software or hardware issues)
  - The management or creation of users own 'cloud' based user accounts, which are required for purchasing software, or backing up data.
- 8.7 RBC does not guarantee that service will be compatible with your equipment or warrant that the service will always be available, uninterrupted, error free, or free of viruses or other harmful components, although it shall take reasonable steps to provide the best service it can.
- 8.8 RBC will not reimburse any costs associated with the running or maintenance of the mobile device.
- 8.9 RBC reserves the right, at its discretion, to remove any RBC supplied applications from your personal device as a result of an actual or deemed violation of this policy.

## Appendix A

**Please return a signed copy to the IT Service Desk**

I request permission to use my .....to access Rushmoor Borough Council data. I confirm that my device meets the minimum system requirements listed within this document.

I have read, understood and agree to follow Rushmoor Borough Council's policy concerning use of my device(s), as detailed within this policy. Furthermore, I understand the limitations of this service and the consequences of any misuse.

Print your name .....

Signature .....

Date .....

For use by IT service desk:

Data software enabled on the device .....

Device details .....

Minimum requirements met: Y/N

**LICENSING, AUDIT & GENERAL  
PURPOSES COMMITTEE  
29TH MARCH 2021**

**EXECUTIVE HEAD OF FINANCE  
REPORT NO. FIN2107**

## STATEMENT OF ACCOUNTS 2019/20 – UPDATE 2

### **SUMMARY:**

The purpose of this report is to inform Members' of audit progress for the Council's Statement of Accounts for 2019/20 and provision of the audit opinion since the meeting on 25 January 2021. The Committee is reminded that the deadline for issuing a final set of audit statements of accounts and audit opinion of 30 November 2020 was not met.

### **RECOMMENDATIONS:**

It is recommended that the committee

- i) Note the Statement of Accounts Update Report
- ii) Note the updated process and timetable for approval of the 2019/20 Statement of Accounts and receiving the Audit opinion

## **1 INTRODUCTION**

- 1.1 Owing to the impact of Covid-19 deadlines for the completion and publication of the 2019/20 accounts have been relaxed recognising the possible disruption to relevant authorities caused by the spread of coronavirus
- 1.2 The table below sets out the changes made to the deadlines, as set out in the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 which came into force on 30 April 2020.

| <b>Action</b>             | <b>Deadline as set out in Accounts and Audit Regulations 2015</b>  | <b>Revised Deadline as set out in Accounts and Audit (Coronavirus) (Amendment) Regulations 2020</b>   |
|---------------------------|--|---|
| Draft Accounts completion | 31 May   | 31 August   |
| Public Inspection period  | First 10 working days of June of the financial year immediately following the end of the financial year to which the statement relates | First 10 working days of September of the financial year immediately following the end of the financial year to which the statement relates |
| Publication of Accounts   | 31 July  | 30 November   |

- 1.3 The Council published a draft statement of account 2019/20 on 31 August 2020. These are available on the Council's website:  
<https://www.rushmoor.gov.uk/statementofaccounts>
- 1.4 The Council is required under regulation to obtain an independent external audit opinion on the true and fair nature of the statement of accounts. Following provision of the external audit opinion the relevant Council Committee (being Licencing, Audit and General Purposes Committee) is required to approve the accounts and publish both the approved set of account and the audit opinion by 30 November 2020.
- 1.5 As reported to the committee at the meeting in November 2020 and January 2021 the Council's external auditor opinion was not due to be received until after the statutory deadline with a commitment to work towards an opinion being available for the March 2021 meeting.
- 1.6 In terms of context, it is worth noting that there were 265 public bodies (Councils, Fire and Rescue, Police and other LG bodies) that did not receive an auditor opinion by 30 November 2020 (around 55%) – as compared to 210 out of 486 (43%) for 2018/19.
- 1.7 According to data from Public Sector Audit Appointments (PSAA) the number of public bodies that did not receive their audit opinion by mid-March was 147.
- 1.8 The National Audit Office (NAO) published their report on the timeliness of local auditor reporting on local government in England on 16 March 2021. This report concludes that the position on audit reporting has worsened significantly since their last report in 2019:

*“Given the increasing financial challenge and service pressures on local authorities since 2010, local councils need strong arrangements to manage finances and secure value for money. External auditors have a key role in providing independent assurance on whether these arrangements are strong enough and recommending any action. The late delivery of 2019-20 audit opinions is concerning, given the important part that external audit plays in assurance over taxpayers’ money both centrally and locally.*

*“Since we reported on local authority governance and audit in 2019, despite efforts by the various organisations involved in the local audit system and by the Ministry of Housing, Communities and Local Government, we can only conclude that the local audit system has worsened. The increase in late audit opinions, concerns about audit quality and doubts over audit firms’ willingness to continue to audit local authorities all highlight that the situation needs urgent attention. This will require cooperation and collaboration by all bodies involved in the local audit system, together with clear leadership from government.”*

<https://www.nao.org.uk/wp-content/uploads/2021/03/Timeliness-of-local-auditor-reporting-on-local-government-in-England-2020-.pdf>



- 1.9 This report provides members with an update on progress made since January 2021.

## **2 CURRENT STATUS OF THE AUDIT**

- 2.1 Members will be aware from the meeting in November 2020 that the Council's external auditors set out in the Audit Plan an outline of the timetable and work required to complete their audit and issue an Audit Results Report.
- 2.2 At the LA&GP meeting in January 2021, members were informed that following discussions with EY on 14 January 2021, it was agreed that the current audit work would be paused until mid-February. This would allow the finance team to complete work on the 2021/22 budget setting process unencumbered by other work pressures. The audit would be reconvened in mid-February with the intention to have a scaled-up audit resource to allow the completion of the audit process to be achieved in advance of the next meeting of LA&GP in March 2021.
- 2.3 Audit work was restarted late in February 2021 and has worked through some of the remaining issues. However, at the time of writing this report there are a number of audit queries that remain unresolved and will prevent an audit opinion being available for the committee to consider at the meeting on 29 March 2021.
- 2.4 Progress during the latest audit visit has been slower than expected due to several new samples and requests being raised, the latest being made on 12 March 2021 and would suggest that earlier sampling and testing had not been fully completed.
- 2.5 The majority of audit issues relate to asset valuations with queries raised by EY's technical specialists. However, it is unclear how the Council can respond to the valuation differences without further detailed discussion with EY, their technical specialist, and liaison with the Council's independent valuers.
- 2.6 The Council will also have to provide EY with an updated impact on the Council's finances from Covid-19 and any Post Balance Sheet Event (PBSE) given the ongoing risk Covid-19 poses to the Council's financial standing. In order to complete the accounts and audit opinion process, the Statement of Accounts would need to include a detailed Disclosure Note that addresses Going Concern.
- 2.7 A Disclosure Note will be drafted with an updated forward projection of the Council's Reserves and Balances and a projection of the Council's cashflow and liquidity for the next 12-18 months, and a forward projection of reserve deployment over the MTFS period.
- 2.8 A further meeting has been scheduled with EY for 24 March 2021 and a verbal update will be provided to the committee outlining actions and a provisional timescale for completion of the audit opinion.

2.9 Therefore, it is anticipated that the audited Statement of Accounts and the Audit Results Report will be considered by the committee at their meeting in May 2021.

### 3 2020/21 STATEMENT OF ACCOUNTS AND AUDIT TIMINGS

3.1 Deadlines for the completion and publication of the 2020/21 and 2021/22 accounts have been amended as part of the Government’s response to the recommendations contained in the independent Redmond Review into the effectiveness of external audit and transparency of financial reporting in local authorities. The Redmond review reported on 08 September 2020.

3.2 The regulations will amend the draft and final accounts publication deadlines for relevant bodies from 1 June and 31 July to 1 August and 30 September for the next 2 accounting years – i.e. 2020/21 and 2021/22 and the position will be reviewed at that time. The regulations come into force on 31 March 2021.

| Action                    | Deadline as set out in Accounts and Audit Regulations 2015   | Revised Deadline as set out in Accounts and Audit (Amendment) Regulations 2021  |
|---------------------------|--|---|
| Draft Accounts completion | 31 May   | 01 August   |
| Public Inspection period  | First 10 working days of June of the financial year immediately following the end of the financial year to which the statement relates | First 10 working days of September of the financial year immediately following the end of the financial year to which the statement relates |
| Publication of Accounts   | 31 July  | 30 September  |

3.3 The Council has amended its 2020/21 accounts closure process to meet the revised Accounts and Audit Regulation 2021 timetable. The timetable will be challenging against the backdrop continuing COVID-19 pressures. In addition, the delay in concluding the 2019/20 audit means that the opening balance for 2020/21 will be fluid. Working on two audit year at the same time and having to revisit opening balances will increase the workload for the Council and potentially further delay the audit process for 2020/21.

### 4 CONCLUSION

4.1 Subject to the final review of the financial statements and EY’s review process, the Council should receive the Audit Opinion in early May 2021.

4.2 It is worth reassuring members that the additional time taken is not due to errors, omissions or matters concerning the quality of the final accounts.

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## INTERNAL AUDIT – AUDIT PLAN

### **SUMMARY:**

This report is to set out the annual plan for 2021/22.

### **RECOMMENDATIONS:**

Members are required to:

- Agree to the annual plan, which will be monitored and updated on a rolling quarterly basis.

## **1 Introduction**

- 1.1 The audit plan is produced annually to provide a framework for the use of audit resources. To ensure that resources are focused on activities that will enable the Audit Manager to provide the organisation with an overall assurance of the internal control environment.

## **2 Purpose of Internal Audit**

- 2.1 The role of internal audit is defined within the Public Sector Internal Audit Standards, as an:

*‘independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.*

- 2.2 Internal Audit provides the organisation with assurance and consulting activities. Assurance work involves assessing how well the systems and processes are designed and working with consulting activities available to help to improve those systems and processes where necessary.

## **3 Methodology for compiling audit coverage**

### *Risk Universe and Criteria*

- 3.1 The risk universe has been updated to show auditable areas as at January 2021. This will be reviewed as appropriate.
- 3.2 The risk criteria has been developed to ensure it captures all relevant areas to be considered in determining the level of risk exposure within an auditable area. The Corporate Risk register and the details within the Annual Governance Statement are also taken into account when reviewing the risk universe and developing the audit plan.

### 3.3 The risk criteria include the following areas:

- **Corporate priority**

This looks at the Council's corporate plan and assesses to what level the auditable area contributes to the corporate plan. This is included so that areas of high corporate priority are considered more highly than areas of low corporate importance, which are not deemed to risk the Council achieving its overall objectives.
- **Impact on reputation**

This looks at the potential impact on the Council's reputation if a risk within the auditable area was to transpire. This is included so that areas of high reputational impact are considered more highly for a review to ensure that the reputation of the Council is maintained.
- **Assurance from others**

This considers whether another body either externally (e.g. external audit) or internally have reviewed the area. This is included so that if assurance can be provided by others then Internal Audit would not need to also review the same area.
- **Concerns raised**

This looks at any concerns raised by Managers or employees, any previous frauds identified and any previous poor controls identified by Internal Audit. This is included as if concerns are raised then this could highlight control weaknesses impacting on the Council in various ways.
- **Laws or Regulations**

This looks at if the auditable area is enshrined by Laws or regulations or not. A requirement for high levels of compliance with Laws and Regulations will result in a higher risk to the Council if these are not adhered to.
- **Financial transactions total**

This looks at the financial value of transactions in the auditable area, as the higher the value of the transactions the more risk of financial loss to the Council. This also looks at the number of transactions, as a small financial value but high frequency of transactions opens the auditable area up to a bigger risk of fraud and error.
- **Vulnerability**

This looks at whether the area is completely new to the Council or not or if it's a constantly evolving area e.g. IT. New and evolving areas will present a higher vulnerability than an area that has not changed.

### *Input from Heads of Service*

- 3.4 Heads of Service were consulted on the areas, which were high risk on the audit universe, to ensure that these were appropriate to be reviewed within the financial year and highlight any areas of concern within their service.

### *Developing the Audit Plan*

- 3.5 Internal Audit strategy is to review key financial systems on a 3-year rolling basis adjusted for any significant system developments or identified weaknesses. Additionally, all other areas of coverage are based on various risk factors developed by Internal Audit described in section 3.3 of this report and input from Heads of Service.
- 3.6 The first 6 months of work will be established based on the auditable areas with a view to risk, suitability of timing and availability of audit resource. This will be agreed with CMT and the Licencing, Audit & General Purposes Committee. The work for the following quarters will be established at subsequent CMT and Committee meetings, as laid out in table 1 below. This will allow Internal Audit to react more effectively to the needs of the Council when required throughout the year.

### *Communication and monitoring of the plan*

Table 1

| <b>Date</b>                 | <b>Meeting</b>  | <b>Details</b>   |
|-----------------------------|-----------------|--|
| 9 <sup>th</sup> March 2021  | CMT             | <ul style="list-style-type: none"><li>• Present the audit plan for 2021/22</li><li>• Set the work for quarter 1 &amp; quarter 2 (subject to change if required for the needs of the organisation.)</li><li>• Report on the work carried out to date towards the actions defined within the Annual Governance Statement.</li></ul>                            |
| 29 <sup>th</sup> March 2021 | LA&GP Committee |  |
| 4 <sup>th</sup> May 2021    | CMT             | <ul style="list-style-type: none"><li>• Present the audit opinion for 2020/21.</li><li>• Present compliance towards the PSIAS and plan of work towards the standards in 21/22.</li><li>• Present the Annual Governance Statement and update to the Local Code of Corporate Governance</li><li>• Give an overview of the work completed in 2020/21.</li></ul> |
| 27 <sup>th</sup> May 2021   | LA&GP Committee |  |
| 13 <sup>th</sup> July 2021  | CMT             | <ul style="list-style-type: none"><li>• Report on the work carried out to date for quarter 1.</li></ul>  |
| 27 <sup>th</sup> July 2021  | LA&GP Committee |  |

|                                 |                 |  |
|---------------------------------|-----------------|--|
|                                 |                 | <ul style="list-style-type: none"> <li>• Report any changes required for quarter 2 deliverables and the reason for these changes.</li> <li>• Set the work for quarter 3.</li> </ul>  |
| 7 <sup>th</sup> September 2021  | CMT             | <ul style="list-style-type: none"> <li>• Report on the work carried out to date towards the actions defined within the Annual Governance Statement.</li> </ul>   |
| 27 <sup>th</sup> September 2021 | LA&GP Committee |  |
| 2 <sup>nd</sup> November 2021   | CMT             | <ul style="list-style-type: none"> <li>• Report on the work carried out for quarter 2 and outstanding work for quarter 1.</li> <li>• Report any changes required for the deliverables for the rest of quarter 3 and the reason for these changes.</li> <li>• Set the work for quarter 4.</li> </ul>  |
| 22 <sup>nd</sup> November 2021  | LA&GP Committee |  |
| 11 <sup>th</sup> January 2022   | CMT             | <ul style="list-style-type: none"> <li>• Report on the work carried out for quarter 3 and outstanding work for quarter 2.</li> <li>• Report any changes required for the deliverables for the rest of quarter 4 and the reason for these changes.</li> </ul>   |
| 24 <sup>th</sup> January 2022   | LA&GP Committee |  |
| 8 <sup>th</sup> March 2022      | CMT             | <ul style="list-style-type: none"> <li>• Present the audit plan for 2021/22</li> <li>• Set the work for quarter 1 &amp; quarter 2 (subject to change if required for the needs of the organisation.)</li> <li>• Report on the work carried out to date for quarter 4 and outstanding work for quarter 3.</li> <li>• Report on the work carried out to date towards the actions defined within the Annual Governance Statement</li> </ul> |
| 28 <sup>th</sup> March 2022     | LA&GP Committee |  |

3.6 A rolling programme means that the plan can be set for each quarter allowing greater flexibility of audit coverage to meet the changing environments faced by the Council.

#### 4 Resources

4.1 There is currently a vacant full-time auditor post. The work of this post was carried out by contract auditors in 2020/21. This vacant post is currently being reviewed therefore contract auditors will continue to be utilised during 2021/22 to enable the audit plan, as detailed within Appendix A, to be delivered.



## 5 2021/22 audit plan

- 5.1 The first 6 months work, as set out in Appendix A, has been selected from the higher risk areas. The list of audits is subject to review due to the changing needs of the organisation or resource availability. An update will be provided at the committee meeting in July.

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### **References:**

- *Public Sector Internal Audit Standards (2017)*  
<http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards>

**Table of Audits expected deliverables for Quarters 1 & 2**

NB: Timing of audits may differ once confirmed with services and contract auditor availability.

| <b>Service</b>                            | <b>Title of audit</b>     | <b>Scope indication*</b>  |
|---|---------------------------|---|
| Legal/IT                                  | Legal system set up       | To review the setup of the new legal system to ensure that appropriate controls are in place.                                 |
| Regeneration & Property/<br>Finance/Legal | Capital Project (Voyager) | To carry out a review of the voyager project.   |
| Finance                                   | FMS & Bank Reconciliation | Key financial system reviewed on a 3-year cycle.  |
| Finance                                   | Insurance                 | To review the insurance arrangements in place and ensure that appropriate insurance is applied to Council's assets.           |
| Finance                                   | CIPFA Financial Code      | To review the Council's compliance towards the CIPFA financial code.  |
| Finance                                   | Benefits                  | Key financial system reviewed on a 3-year cycle.  |
| ACE                                       | Risk Management           | To review the risk management process in place and ensure that the process is embedded across the Council.                    |
| Operations                                | Crematorium               | To carry out a review the processes at the crematorium including the charging structure taking into account the new cremator. |

**Follow up of previous audit reviews**

|         |  |  |
|---------|--|--|
| Various | General follow up on high priority recommendations from previous audits. |  |
|---------|--|--|

**Provisional forward programme of audit work**

|                         |                             |  |
|-------------------------|-----------------------------|--|
| Finance                 | NNDR & Council tax recovery | Key financial system reviewed on a 3-year cycle.   |
| IT                      | Windows 10/ Remote Working  | To review remote working arrangements in place and the roll out of windows 10.                   |
| Finance                 | Sales Ledger                | Key financial system reviewed on a 3-year cycle.   |
| Regeneration & Property | Property System – set up    | To review the setup of the new property system to ensure that appropriate controls are in place. |
| Operations              | CCTV                        | To review the new CCTV working arrangements in place.  |

|                                    |  |   |
|------------------------------------|--|---|
| Democracy, Strategy & Partnerships | Financial grants to organisations              | To review the overall financial assistance given to organisations from the various departments within the Council. Ensuring that the process/criteria for issuing financial assistance is consistently applied and considered as a whole. |
| Operations                         | Homelessness – B&B and Temporary accommodation | To review the use and process for B&B and temporary accommodation for homelessness including the procuring of rooms.  |

\* This is just the potential scope of the audit which can be subject to change as the scope is agreed with the auditee prior to the audit commencing.

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**LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE  
29TH MARCH 2021**

**AUDIT MANAGER  
REPORT NO. AUD2103**

**ANNUAL GOVERNANCE STATEMENT - UPDATE**

**SUMMARY:**

This report describes the work carried out towards the implementation of the actions defined within the Annual Governance Statement, which was presented to this Committee in July 2020.

**RECOMMENDATION:**

Members are requested to:

- i. Note the progress towards the implementation of the actions detailed within the Council's Annual Governance Statement.

**1 Introduction**

- 1.1 The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement (AGS). Reporting publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in the year and on any planned changes to our governance arrangements in the coming year. The AGS was reported to this Committee on the 28<sup>th</sup> July 2020.
- 1.2 The review of the effectiveness of the Council's governance framework in 2019/20 identified areas for improvement to be actioned during 20/21, which included the carried forward actions from the 2018/19 AGS. The progress against these actions are detailed within this report.

**2 Progress towards actions within the Annual Governance Statement (AGS)**

- 2.1 Members considered the Annual Governance Statement report (AUD20/07) which included a number of actions to be implemented during 2020/21 in response to Governance improvements identified in the AGS 19/20.
- 2.2 The table below details the progress to date.

| Action   | Target date for implementation  | Update on progress   |
|--|---|--|
| <p><b>EU General Data Protection Regulation (b/f from previous year):</b> Ensure that the necessary resulting changes for the GDPR are finalised and embedded within a broader information governance framework following the review of the effectiveness of the current arrangements the Council has implemented.</p> | <p><i>Revised date:</i><br/>March 2021</p> <p><b>Implemented</b></p>                | <p><b><u>October 2020</u></b><br/>Further policy work has been done and there is a full range of guidance available to staff. E learning on data protection and information governance is mandatory for all officers and managers. Government guidance on the impact of Brexit on data protection has been issued this month and is currently being reviewed.</p> <p><b><u>February 2021</u></b><br/>GDPR is part of BAU now. The Council's current contracts are being reviewed in relation to data transfers where applicable in anticipation of adequacy decision from the EU. The Information Asset Register needs to be refreshed and will inform the Register of Processing Activities.</p>  |
| <p><b>Risk Management (b/f from previous year):</b> Formal adoption of the risk management process and work carried out to embed risk management within all Council activities. Development and adoption of an information risk policy.</p>  | <p><i>Revised date:</i><br/>May 2020</p> <p><i>Revised date:</i><br/>April 2021</p> | <p><b><u>October 2020</u></b><br/>Corporate Risk Management Group (CRMG) meeting in August 2020 reviewed the corporate risk register.</p> <p>Further reviews of the service risk registers were undertaken by Heads of Service in September 2020. Formal review by CRMG to be arranged as from October 2020 Risk Management responsibility is with the Assistant Chief Executive.</p> <p><b><u>February 2021</u></b><br/>The Corporate Management Team (CMT) agreed changes to the Risk Management Policy on 1 December 2020. CMT will now oversee the management of risk across the Council. The risk management process will be overseen by the Assistant Chief Executive (ACE). The day-to-day management and maintenance of the risk management system is the responsibility of the Corporate Risk Manager (CRM). Training for those who update risk registers was provided in February 2021. The updated Corporate Risk Register will be reviewed by CMT in</p> |

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|   |   | March 2021 and form part of quarterly performance management from 2021/22.   |
| <b>Workforce/ people strategy:</b> Develop and adopt a longer-term workforce/ people strategy   | <p><i>Revised date:</i><br/>November 2020</p> <p><b>Implemented</b></p> | <p><b><u>October 2020</u></b><br/>Work was paused to focus on the organisation's response to COVID-19, a draft has now been completed, and is going through the consultation and approval process, which should be completed by end November.</p> <p><b><u>February 2021</u></b><br/>The people strategy went to Cabinet on the 19<sup>th</sup> January 2021 and was approved. Year 1 actions have been detailed within the strategy for implementation.</p>   |
| <b>Relationship Management and economic engagement plan:</b> Develop relationship management approach and processes and economic engagement plan. | <p><i>Revised date:</i><br/>July 2021</p>                               | <p><b><u>October 2020</u></b><br/>The Covid crisis has provided an opportunity to substantially improve the data we have on companies and our engagement with them. We have been providing regular fortnightly Business Bulletins, using Social Media and a lot of direct contact via calls/meetings. A Rushmoor Business Conference was due to be held on 5 November 2020 but due to the second lockdown has had to be cancelled. Recruitment for an Economy and Growth Manager was unsuccessful, and we will be going back out to recruitment. This coupled with Covid has delayed development of the long-term plan and the roll out of the second phase of the engagement approach.</p> <p><b><u>February 2021</u></b><br/>An appointment has been made to the post of Economy and Growth Manager with the candidate due to start on 29/3/21. The Covid crisis, grants process and development of our working with external partners has continued to build our database. However, the second phase of embedding relationship management across the Council will need to be undertaken once we are out of lockdown and have the new manager in place. The current focus has to be on immediate</p> |

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|  |   | support to business and planning for recovery.  |
| <p><b>Implementing a Capital Strategy to comply with the revised Prudential Code and the Treasury Management Code of Practice (b/f from previous year):</b></p> <p>Finalise development of the Asset Management Strategy which supports the approved annual Capital Strategy</p> | <p><i>Revised date:</i><br/>December 2020</p> <p><i>Revised date:</i><br/>June 2021</p> | <p><b><u>October 2020</u></b><br/>An Asset Management Strategy is being developed based on the Asset plans reported through the quarterly monitoring to PIAG. This will cover the significant commercial property assets, with additional work required in Q3 2020 to include non-commercial assets.</p> <p><b><u>February 2021</u></b><br/>Government implemented changes to the PWLB lending terms on 26 November 2020.</p> <p>In summary, the Government’s new lending terms are designed to prevent local authorities from using PWLB loans to buy commercial assets primarily for yield. The Government’s intention for PWLB loans is that they should be used to pursue service delivery, housing, and regeneration activities</p> <p>CIPFA announced consultations on the Prudential Code in February 2021 which will also have an impact (consultation responses due April 2021)</p> <p>The key area being addressed is the statement that “local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed”. CIPFA is interested whether this statement and its implications are clearly understood. There is a proposal to change “purely” to “primarily” and to provide some additional guidance</p> <p>The Council’s Capital Strategy (FIN2105) complies with the new PWLB lending rules. The Commercial Property Investment Strategy will be updated during 2021/22 to ensure compliance</p> |



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| <p>Development of formalised reporting criteria (financial and non-financial measures) in relation to the Council's Investment Property portfolio</p>   | <p><i>Revised date:</i><br/>March 2021</p> | <p>with the new lending rules and will need to take into account the proposed changes to the Prudential Code.</p> <p>The Asset Management Strategy will be a priority in the coming months as will be how the resource allocation within the Capital Strategy decision making interfaces with this.</p> <p><b><u>October 2020</u></b><br/>Q2 reporting to PIAG in September 2020.</p> <p>Further work on the wider Council debt monitoring process is being undertaken led by Executive Head of Finance. Due Q4 2020.</p> <p>The Overview and Scrutiny Committee reviewed the Property Investment Portfolio in October.</p> <p><b><u>February 2021</u></b><br/>Ongoing work on the wider Council debt monitoring process is being undertaken led by Executive Head of Finance. Due Q4 2021 – On Target</p> <p>Reporting of Investment Property Portfolio to PIAG meeting on 23<sup>rd</sup> February 2021</p> <p>Property Investment Strategy being revisited following November 2020 Budget.</p> |
| <p><b>Due to the Covid-19 pandemic the number of staff working from home remotely has substantially increased therefore increasing the information risk exposure this creates for the Council.</b></p> <p><i>The increase in information risk exposure due to home working will be reviewed by the Information Governance Group.</i></p> <p><i>The information governance policy has been implemented and mandatory online training will be put in place.</i></p> | <p>Dec 2020</p>                            | <p><b><u>October 2020</u></b><br/>The Information Governance Officer has updated the Information Security Policy and guidance to staff on working from home is available on the Intranet. Mandatory training is mitigating the risk as well as regular messaging to staff and managers. As we move forward to full adoption of the Office 365 suite and the systems upgrades through the ICE project information security will be strengthened.</p>   |

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|  |   | <p><b><u>February 2021</u></b><br/> The Information Governance Officer is a member of the Office 365 Project Team and her presence ensures information governance is considered in every phase of the project. The Windows 10 project is progressing but there has been a delay in deploying replacement laptops, due to worldwide component shortages. The council has extended support for its Windows 7 laptops (including Sophos antivirus software), which are being updated by the end of March 2021. The W10 new laptops will be rolled out from March 2021, however at a slower pace due to current government C19 lockdown restrictions and testing regime required.</p> |
| <p><b>Concerns have been raised regarding the Council's systems and procedures for recording and monitoring commercial property (rental) income.</b></p> <p><i>Timetable for implementation of Property System and review of the Finance system processes (Sales Ledger) will need to be agreed.</i></p>   | <p>Dec 2020</p> <p><i>Revised date:</i><br/> March 2021</p> | <p><b><u>October 2020</u></b></p> <p>Further work on the wider Council debt monitoring process is being undertaken led by Executive Head of Finance. Due Q4 2020.</p> <p><b><u>February 2021</u></b><br/> Improved reporting through Integra Sales Ledger module with changes made to the way data on properties/debtors are held to improve monitoring.</p> <p>Regular reviews of debt taking place.</p> <p>Implementation of Property Management System (PMS) due in 2021/22.</p>   |
| <p><b>Continue to act commercially in a more uncertain economic environment which will require revised assessment analysis appraisal to be carried out for the risk and return.</b></p> <p><i>Consideration will be given by the Finance and Commercial Recovery workstream to ensure there is synergy between the commercial way forward and the objectives of the recovery workstream.</i></p> | <p>Dec 2020</p>   | <p><b><u>October 2020</u></b></p> <p>Appointment of Commercial Manager confirmed September 2020. Budget Strategy report to Cabinet (October 2020) set out the way in which the 2020/21 budget will be approached in light of Covid-19 pressures. Further report to Cabinet in December 2020.</p> <p><b><u>February 2021</u></b><br/> Action being incorporated into the updated Savings Programme</p> <p>As set out in the Revenue Budget, Capital Programme and Council Tax</p>  |

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|   |  | <p>Level 2021/22 report to Cabinet in February 2021 (FIN2106):</p> <p>5.7 The Council is developing a revised approach to its Savings Programme that seeks to address the funding gap identified in the MTFS. The programme will include a revised process for how savings are identified, evaluated and approved, with clearer reporting and monitoring and governance arrangements. This new approach will be approved during March 2021, to then be implemented to cover the new MTFS period</p> |
| <p><b>External Audit have yet to provide an opinion for the 2018/19 accounts.</b></p> <p><i>The Executive Head of Finance will ensure that the necessary information is provided to the external auditors to enable them to finalise their opinion on the 18/19 accounts.</i></p> | <p>July 2020</p> <p><i>Revised date:</i><br/>November 2020</p> <p><b>Implemented</b></p> | <p><b><u>October 2020</u></b></p> <p>As reported to LA&amp;GP in September 2020, the final version of 2018/19 Statement of Accounts and the Going Concern Disclosure Note provided to EY in September 2020.</p> <p>Subject to EY's internal consultation process, an audit opinion is likely to be issued early November 2020.</p> <p><b><u>February 2021</u></b><br/>Audit opinion issued 23 November 2020</p>   |

2.3 Services have balanced the impact of the Covid-19 pandemic and other external factors to achieve progress on the actions detailed within the AGS 19/20, presented to the Committee in July 2020.

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**References:**

*Annual Governance Statement 19/20 – reported to LA&GP Committee 28<sup>th</sup> July 2020.*

*Annual Governance Statement – update report to LA&GP Committee 23<sup>rd</sup>  
November 2020.*

**LICENSING, AUDIT AND GENERAL  
PURPOSES COMMITTEE**

**HEAD OF DEMOCRACY AND  
COMMUNITY  
AND MONITORING OFFICER**

**29TH MARCH, 2021**

**REPORT NO. DC2109**

**FUTURE ARRANGEMENTS FOR THE LICENSING, AUDIT AND GENERAL  
PURPOSES COMMITTEE**

**1. INTRODUCTION**

- 1.1 The Licensing, Audit and General Purposes Committee has a key role in the corporate governance of the Council, with an important responsibility to act as a source of assurance about the organisation's arrangements for managing risk, maintaining an effective control environment, and reporting on financial performance.
- 1.2 The local government landscape is becoming ever more challenging, and there is an increasingly complex picture for financial and governance arrangements linked to the delivery of major projects at the Council. It is therefore timely to review arrangements to ensure that the Committee's primary focus and emphasis is directed to meeting these demands.

**2. BACKGROUND**

- 2.1 In recent years the Council, along with many other authorities within the sector, has been diversifying its range of activities to both mitigate the risk of financial restructuring as a result of Central Government funding changes, and to facilitate the Council to take a much stronger role in place shaping and to influence the regeneration of the area.
- 2.2 In order to deliver against this more diversified agenda the Council has sought to establish key delivery vehicles such as the Rushmoor Development Partnership (RDP) to pursue regeneration and Rushmoor Homes Ltd (RHL) to deliver local housing solutions. The Council has also sought to become more commercially focussed in seeking out income generating sources and has considered a wide range of commercial income investment opportunities. All of these areas of activity require good governance, careful oversight and risk management, supported with transparent arrangements to provide the public oversight, protection and confidence necessary. High quality Elected Member oversight is a pivotal lynchpin to providing that public confidence.

- 2.3 The volatile and risky landscape that local government is working within has been highlighted in recent years by some high-profile local authority failures. These failures have seen an entire financial failure in the case of one local authority, instances of failed housing companies, inadvertent losses resulting from joint-ventures or failed investments or through the failure of local authority trading companies such as local authority run energy companies. The publicly available reports published in respect of these examples often highlight unique circumstances. However, a number of common lessons do emerge. The recommendations in this report build on those published lessons learnt especially in respect of the role of corporate governance, use of expertise and independence and approach to risk management and transparent decision making.
- 2.4 In seeking to prepare this report the Council's Monitoring Officer has discussed the background and context for the proposals with The Leader and Deputy Leader of the Council, the Leader of the main Opposition Group, the Chair and Vice Chair of Licensing, Audit and General Purposes Committee as well as the Council's Chief Executive and other key internal officers via the Council's internal Governance Group. All consulted to date are supportive of the changes proposed within this report.

### 3. **PROPOSALS**

- 3.1 Further to the context described above, it is proposed to implement the following arrangements for the Licensing, Audit and General Purposes Committee to help ensure and support the Committee's effectiveness in the future.

#### **Change of Committee Name**

- 3.2 It is proposed that the Committee's name be changed to 'Corporate Governance, Audit and Standards Committee' as a more accurate reflection of the committee's work and focus. It is proposed that this takes effect from the first meeting of the municipal year in May 2021.

#### **Terms of Reference and Statement of Purpose**

- 3.3 The Committee's terms of reference, which were reviewed as part of the Constitution Review in 2019/20, incorporate the corporate governance, risk management, audit, and financial reporting responsibilities of the Committee and do not need to be updated at this time. However, it is proposed to add a new Statement of Purpose as an introduction to the Committee's terms of reference to bring greater focus to the committee's corporate governance and audit role. A copy of the Statement of Purpose and the Committee's terms of reference is attached at **Appendix 1**.

## **Membership**

- 3.4 The Membership of the Committee shall continue as 11 Members (non-executive and politically balanced), and with a new provision to appoint up to three additional non-voting co-opted Independent Members.

The Independent Member(s) would be invited to join meetings for discussion on all corporate governance and audit matters.

## **Independent Members**

- 3.5 Good practice shows that for committees with audit responsibilities, the co-option of independent members with technical knowledge and expertise can be beneficial, as the injection of an external and independent view can help the process of in-depth questioning and committee discussion. A copy of the Person Specification for Independent Members is attached in **Appendix 3**.
- 3.6 While provisions are proposed to allow for up to three Independent Members, it is likely that one co-opted independent member will be appointed in 2021/22.
- 3.7 Subject to the Committee's approval, a public advertisement to recruit Independent Members will be published during April 2021. Following this, the Chairman and Vice-Chairman of the Committee (or nominated substitutes) will be invited to participate in an interview process to recommend an appointment for confirmation at the Annual Council Meeting in May 2021.
- 3.8 It is suggested that the following terms will apply to the appointment of Independent Member(s):
- A fixed term of three years, with provision for early termination or extension of the appointment.
  - The Independent Member will be eligible to be paid an allowance equal to the statutory co-optee allowance (currently £514 per year).
  - The Independent Member will be expected to follow the same code of conduct as elected Members and with a register of interests.

## **4. ROLE DESCRIPTIONS**

- 4.1 To assist the process of appointments to the Committee for 2021/22, new role descriptions have been prepared for the Chairman and Members of the Committee as set out in **Appendix 2**. The role descriptions reference the apolitical and independent nature of the committee and a requirement for committee members to have an interest in corporate governance matters. It also emphasises a commitment to participate in training events to ensure knowledge and understanding of the committee's key areas of responsibility.

4.2 It is proposed that the updated role descriptions are incorporated in Part 3 of the Council's Constitution – Section 10 (Councillor Role Descriptions).

## 5. **TRAINING PROGRAMME**

5.1 During 2021/22, it is proposed to deliver an enhanced programme of learning and development support for Members on the Committee based on the training modules set out in **Appendix 4**.

5.2 The programme will include a mix of internal and externally delivered training sessions covering the key topics which will include corporate governance, risk management, financial management, and audit. Members who wish to participate in licensing hearings will also need to ensure they have attended training to fulfil this role.

## 6. **MONITORING AND REVIEW**

6.1 It is proposed to review the new arrangements in a year when the Committee will have had some experience of the changes. In these circumstances, it is not at this stage intended to recommend that the Standing Orders for the Regulation of Business are changed but to seek the Council to suspend Standing Orders at the Annual Council Meeting so that the new arrangements can be introduced for 2021/22. Once the review has taken place, the proposed changes to Standing Orders can be formalised in the early part of 2022.

## 7. **CONCLUSIONS AND RECOMMENDATION**

7.1 Changes are proposed to ensure the future effectiveness of the Committee, with a strong focus on its corporate governance role providing oversight, protection and public confidence in Council activities.

7.2 The Committee is requested to recommend to the Council that:

- (1) the Committee's name be changed to 'Corporate Governance, Audit and Standards Committee' from the Annual Council Meeting in May 2021;
- (2) updates be made to the Council's Constitution to incorporate a new Statement of Purpose to precede the Committee's terms of reference as set out in Appendix 1, and the updated Role Descriptions as set out in Appendices 2 and 3; and
- (3) at the Annual Meeting, Standing Orders for the Regulation of Business be suspended to enable the proposals set out in this Report to be implemented for 2021/22.



The Committee is recommended to:

- (4) agree arrangements to recruit Independent Member(s) based on the approach and terms set out in paragraphs 3.7 and 3.8 above; and
- (5) approve the implementation of a Members' training programme for the Committee in 2021/22 based on the modules set out at Appendix 4.

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**HEAD OF DEMOCRACY AND COMMUNITY**

**IAN HARRISON**  
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## FUTURE ARRANGEMENTS FOR LAGP COMMITTEE

Proposed Change of Name:

**Corporate Governance, Audit and Standards Committee**

### Terms of Reference

#### Membership

11 Elected Members appointed by the Council (excluding Members of the Cabinet) to reflect the political balance of the Council.

Up to 3 Independent, non-voting co-opted Members invited to attend meetings during discussion on all corporate governance and audit matters.

#### Statement of Purpose (new)

When carrying out Corporate Governance and Audit functions, the purpose of the Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

#### General Powers

1. To make appointments of council representatives to Outside Bodies or joint committees of two or more authorities (or to any committee or sub-committee of such a body) and the revocation of any such appointment to a body.
2. To consider and make recommendations to the full Council in relation to the following matters:
  - Amendments to the Council's Standing Orders
  - Conferring the title of honorary alderman or to admit an honorary freeman
  - The making, amendment, revocation or re-enactment of byelaws under any statutory provision
  - Matters related to the name and status of areas
  - Terms under which a Community Governance Review shall be carried out (Sections 81-82 Local Government and Public Involvement in Health Act 2007)
  - The promotion, opposition to or amendment of local or personal Bills (Section 239 of the Local Government Act 1972)
  - Dividing the constituency into polling districts (Section 18, Representation of the People Act, 1983)
  - Dividing electoral divisions into polling districts at local government elections (Section 31 of the Representation of the People Act, 1983)

3. To exercise the Council's functions relating to local government pensions, etc (regulations under Section 7,12 or 24 of the Superannuation Act 1972).
4. Power to make an order identifying a place as a public place for the purposes of police powers to deal with street drinking (Criminal Justice and Police Act 2001).
5. To exercise the Council's powers in relation to the following elections and electoral registration functions:
  - Confirming the appointment of the person designated as the Council's electoral registration officer and returning officer for local government elections
  - To make proposals for pilot schemes for local elections

### **Governance Risk and Control**

6. To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
7. To approve the Council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
8. To consider the Council's framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
9. To monitor the effective development and operation of risk management in the Council.
10. To monitor progress in addressing risk-related issues reported to the Committee.
11. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
12. To review the assessment of fraud risks and potential harm to the Council from fraud and corruption.
13. To monitor the counter-fraud strategy, actions and resources.
14. To review the governance and assurance arrangements for significant partnerships or collaborations.

### **Internal Audit**

15. To approve the internal audit charter.

16. To review the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
17. To approve significant changes to the risk-based internal audit plan and resource requirements.
18. To make appropriate enquiries of both management and the Executive Head of Finance to determine if there are any inappropriate scope or resource limitations, in respect of carrying out internal audit work.
19. To consider reports on internal audit's performance during the year including:
  - a. Key findings, issues of concern and action in hand as a result of internal audit work
  - b. Regular reports on the results of the Quality Assurance and Improvement Plan and any non-compliance with Public Sector Internal Audit Standards (PSIAS).
20. To consider annual internal audit reports, including;
  - a. The statement on the level of conformance with PSIAS
  - b. The Quality and Assurance Improvement Plan
  - c. The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion.
21. To receive summaries of any specific internal reports as requested.
22. To receive reports outlining the action taken where the Executive Head of Finance has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
23. To provide internal audit unfettered access to the Committee Chairman, including the opportunity for a private meeting with the Committee.

### **External Audit**

24. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by the Public Sector Audit Appointments (PSAA).
25. To consider the external auditor's annual audit letter, annual audit results report and other relevant reports.
26. To consider the scope and depth of external audit work and ensure it provides value for money.
27. To commission work from internal and external audit.

## **Financial Reporting**

28. To approve the annual Statement of Accounts and consider whether appropriate accounting policies have been followed and whether any concerns arising from the financial statement or from the audit need to be brought to the attention of the Council.
29. To consider the external auditor's report to those charged with governance on any issues arising from the audit of the accounts.

## **Accountability arrangements**

30. To undertake appropriate training in respect of its governance and audit role.
31. To carry out an annual self-assessment in relation to the effectiveness of the Committee in meeting its purpose.
32. Where considered appropriate, to report to Council on any issues concerning the effectiveness of the arrangements in place for governance, risk, and internal control frameworks.

## **Licensing Powers**

33. Responsibility for the licensing functions of the Council:
  - Functions under the Licensing Act 2003 (see Section 4, Paragraph 4.3 for delegation arrangements)
  - Functions under the Gambling Act 2005 (see Section 4, Paragraph 4.4 for delegation arrangements)
  - Taxis, private hire and other vehicles (see Section 4, Paragraph 4.5 for delegation arrangements)
  - All other licensing and registration functions including for caravan sites, food premises registration, animal licensing, charities and street collection permits, street trading consents and scrap metal dealers (see Section 4, Paragraph 4.6 for delegation arrangements)
34. Responsibility for functions and powers relating to smoke free legislation and the Health Act 2006 (see Section 4, Paragraph 4.8 for delegation arrangements).
35. Responsibility for Health and Safety at work (see Section 4, Paragraph 4.7 for delegation arrangements).
36. Responsibility for the powers in sections 4, 8 and 9 of the Hampshire Act, 1983:-
  - s.4 (relating to the registration of hairdressers and barbers and premises occupied by them)
  - s.8 (relating to the control of stray dogs)
  - s.9 (relating to the seizure of horses).

## **Standards and Members' Code of Conduct Responsibilities**

37. To promote and maintain high standards of conduct by councillors and co-opted members of the Council as set out in the Councillors Code of Conduct.
38. To advise the Council on the adoption or revision of the Members' Code of Conduct.
39. To monitor the operation of the Members' Code of Conduct.
40. To make and implement arrangements for dealing with complaints in accordance with the Localism Act, 2011 and any subsequent regulations and guidance.
41. To deal with matters relating to the appointment and activities of the Independent Person(s) within the provision of the Localism Act 2011 and any subsequent regulations and guidance.
42. To grant dispensations to councillors and co-opted members from requirements relating to interests set out in the Code of Conduct.

## **Ombudsman**

43. To keep under review Ombudsman investigations and consider their outcomes where appropriate.

**ROLE DESCRIPTIONS**

**Corporate Governance, Audit and Standards Committee**

**(1) CHAIRMAN OF COMMITTEE**

**Responsible to:** Council and Members of the Committee

**Responsibilities:**

- (1) To lead the committee in line with good governance principles.
- (2) To provide confident and effective chairing of meetings which encourages open discussion, full participation, and facilitates clear decision-making.
- (3) To ensure discussion and challenge at meetings is apolitical, objective, and focussed at an appropriate strategic level.
- (4) To develop the Committee's profile and internal influence within the Council.
- (5) To understand the respective roles of Members, officers and external parties operating within the committee's area of responsibility.
- (6) To ensure that s/he has knowledge and understanding of the committee's areas of responsibilities and with an interest in financial and risk management, audit, accounting concepts and standards and the regulatory regime.
- (7) To participate in the training and development programme required of Members of the Committee.
- (8) To ensure that the Committee's work is co-ordinated with other decision-making bodies and is in accordance with the policy framework.
- (9) Where set out in the Scheme of Delegation, to act as a consultee in decisions delegated by the Committee.
- (10) To be responsible for presenting the Committee's proposals and decisions to the Council and the community

**Further Role requirements**

- (11) To canvass views from Committee Members in advance of meetings with the External Auditor and to help represent views at the meeting.
- (12) To develop effective working relationship with Independent Members of the Committee and seek feedback from meeting participants.
- (13) The ability to challenge the Cabinet and senior managers when required.



## **ROLE DESCRIPTION**

### **(2) COMMITTEE MEMBER**

- (1) To ensure that s/he, has knowledge and understanding of the committee's key areas of responsibility, with an interest in:
  - corporate governance, financial and risk management, internal and external audit activities and the regulatory framework
  - standards and ethics
  - participation in licensing hearings
- (2) Commitment to attend and participate in the training and development programme required of Members of the Committee.
- (3) To understand the respective roles of Members, officers and external parties operating within the committee's area of responsibility.
- (4) To participate effectively, openly and candidly in committee meetings with an objective apolitical approach.
- (5) To be available for daytime licensing hearings as required.
- (6) Promote and maintain high standards of conduct for councillors and help councillors to follow the councillors code of conduct.
- (7) To promote and support good governance by the Council.

### **Key attributes and skills**

- (8) Ability to weigh-up/sort complex evidence.
- (9) Ability to be objective, independent, and impartial.
- (10) Ability to challenge supportively.

**ROLE DESCRIPTION – INDEPENDENT PERSON**

**Responsible to:** The Section 151 Officer and Internal Audit Manager

**Liaison with:** Elected Members of the (Insert name of Committee), Section 151 Officer, (Internal) Audit Manager any other relevant Members and officers and the External Auditors of Rushmoor Borough Council.

**Responsibilities**

1. To engage fully in collective consideration of all corporate governance and audit matters before the Committee, taking into account a full range of relevant factors, including legislation and supporting regulation (e.g. the Accounts and Audit Regulations 2015), professional guidance (e.g. that issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) or the Chartered Institute of Internal Auditors (IIA)), and the advice of the Council's Section 151 Officer and Audit Manager.
2. To participate fully in the discharge of all audit functions, as set out in the Committee's terms of reference and the constitution.
3. To promote the concept of proportionate, effective risk management and internal control throughout the organisation; and to champion the work of Internal Audit, External Audit and Risk Management.
4. To participate in periodic review of the overall effectiveness of the committee with regards to audit matters, and of its terms of reference.

**Audit Independent Person – Skills and Competencies**

1. Demonstrates up-to-date knowledge, skill and a depth of experience in the fields of audit, accounting, risk management, corporate governance, and performance management.
2. Operates consistently and without bias.
3. Is an effective role model; supports appropriate behaviours and challenges opinions and advice where appropriate, separating major issues from minor ones.
4. Contributes proactive, proportionate and independent thought, and also collaboration with officers to temper the opinions of Committee Members.
5. Works sensitively with people inside and outside the Committee / Council.
6. Listens to and balances advice.

Must have no personal, legal or contractual relationship with the Council (including employees or Members or former staff), or any other relationship/activity which might represent a conflict of interest.

**ELECTED MEMBERS SPECIFIC TRAINING NEEDS – TRAINING MODULES FOR THE FOLLOWING:**

|  | Training Modules/Sessions   |
|--|---|
| <p><b>Mandatory Introduction and Induction</b></p>   | <p>Induction Session held before first meeting of the year –<br/>                     Introduction: Role and Purpose of the Committee<br/>                     Roles of Sec 151 Officer, MO, Internal Audit Manager, Independent Members<br/>                     Key documents and reports pack for all Committee Members</p>  |
| <p><b>Knowledge Modules</b></p> <p><u>Essential</u> Training, which will be arranged by RBC. Members are expected to attend training modules.</p> <p>NB – a couple of these may be combined.</p> | <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>➤ Local Code of Governance and the Annual Governance Statement</li> <li>➤ Council’s arrangements for upholding standards for Elected Members and staff (separate Code of Conduct Training is essential training provided for all new Members)</li> </ul> <p><b>Risk Management</b></p> <ul style="list-style-type: none"> <li>➤ Understanding of the principles of risk management and link to good governance and decision-making</li> <li>➤ Awareness of the Council’s major risks – major development projects of the Council</li> <li>➤ Council’s risk management policy</li> <li>➤ Fraud and corruption risks</li> </ul> <p><b>Financial Management and Accounting</b></p> <ul style="list-style-type: none"> <li>➤ Awareness of the Financial Statements that the Council must produce and the principles it must follow to produce them.</li> <li>➤ Understanding of good financial management principles</li> </ul> |

### **Treasury Management**

- Regulatory requirements
- Treasury risks
- The Council's Treasury Management Strategy and policies

### **Internal Audit**

- Awareness of the key principles of the PSIAS (public sector internal audit standards) and Local Government Application Note (LGAN)
- Arrangements for delivery of the internal audit service
- Difference between internal and external audit roles

### **External Audit**

- Role and functions of external auditor – Invite External Auditors
- Key reports and assurances that external audit will provide.
- Arrangements for the appointment of auditors
- Types of questions that should be asked of external auditors.

### **Licensing Hearing Training**

For all Councillors who will participate in Licensing Hearings

### **Skills**

- Chairing skills for chairman and vice-chairman of committee
- Potential for joint questioning skills training with OSC Committee Members

**EXTENSION OF TERM OF OFFICE FOR DESIGNATED  
INDEPENDENT PERSON****1. INTRODUCTION**

- 1.1 This report recommends a two-year extension to the term of office for the Council's Designated Independent Person (DIP), Mrs Mary Harris. This is a role which is required under the Localism Act 2011 to assist the Council in promoting and maintaining high standards of conduct amongst its elected Members. A copy of the role description is attached as Appendix 1.

**2. BACKGROUND**

- 2.1 Mrs Mary Harris was appointed by the Council in March 2018 as the Council's Designated Independent Person for a three-year term from 2018/19 to 2020/21. The appointment followed a public advertisement, application and interview process which included Member representation.

- 2.2 The Statutory functions of the DIP are: -

- They must be consulted by the Authority before it makes a finding as to whether a Member has failed to comply with the Code of Conduct or decides on action to be taken in respect of that Member.
- They may be consulted by the Authority in respect of a standards complaint at any other stage; and
- They may be consulted by a Member or co-opted member of the Council against whom a complaint has been made.

- 2.3 A person is considered not to be "Independent" if: -

- He/she is, or has been within the last five years, an elected or co-opted member or an officer of the Council.
- He/she is, or has been within the last five years an elected or co-opted member of any Committee or Sub-Committee of the Council; or
- He/she is a relative or close friend of a current elected or co-opted member or officer of the Council.

- 2.4 There is no payment for the role, however a small annual retainer allowance is paid which is the same amount allowed for a co-opted committee member (currently £514 per annum). This reflects the need for the Independent Person to maintain up to date knowledge, attend training and to be available to the Council as and when required.
- 2.5 It would be open to the Council to carry out a fresh recruitment process at this time or to make an extension to Mrs Mary Harris' term of office. Since her appointment, Mrs Harris has attended training, attended regular update meetings with the Monitoring Officer, carried out her role diligently and gained experience from which the Council can benefit for a further period. There have been very few Member conduct related complaints and the call on the DIP has been very minimal.
- 2.6 All current Members are being canvassed to confirm that are no close friendship connections with Mrs Harris.

### **Candidate Details**

- 2.7 Mary Harris is a resident of the Borough, with an MBA in Public Policy and substantial experience in parish and town clerk roles with Proper Officer responsibilities. This includes responsibilities for advising on, and experience of working within, the current standards regime. She has also held several senior executive positions for Housing Associations and served in a number of community voluntary roles bringing experience of dealing with difficult and contentious issues and complaints.

### **3. RECOMMENDATION**

It is proposed that the Committee recommend the Council to extend the term of office of Mrs. Mary Harris, as the Council's Designated Independent Person (DIP), for two years until the end of the 2022/23 municipal year.

**IAN HARRISON**  
**MONITORING OFFICER**

**ANDREW COLVER**  
**HEAD OF DEMOCRACY AND COMMUNITY**

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**Contact:** Service Manager – Democracy  
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**ROLE OF INDEPENDENT PERSON – RUSHMOOR BOROUGH COUNCIL**

**ROLE DESCRIPTION**

Responsible to: The Council

Liaison with: Monitoring Officer, members of the Licensing, Audit and General Purposes Committee, officers and members of the Borough, key stakeholders within the community.

1. To assist the Council in promoting high standards of conduct by elected and co-opted members of Rushmoor Borough Council and in particular to uphold the Code of Conduct adopted by the Council and the seven principles of public office, namely selflessness, honesty, integrity, objectivity, accountability, openness and leadership.
2. To be consulted by the Council through the Monitoring Officer and/or the Licensing, Audit and General Purposes Committee before it makes a decision on an investigated allegation and to be available to attend meetings of the Hearing Panel of the Committee for this purpose.
3. To be available for consultation by the Monitoring Officer and/or the Licensing, Audit and General Purposes Committee before a decision is taken as to whether to investigate a complaint or to seek local resolution of the same.
4. To be available for consultation by any elected member, who is the subject of a standards complaint.
5. To develop a sound understanding of the ethical framework as it operates within Rushmoor Borough Council.
6. To participate in training events to develop skills, knowledge and experience and in networks developed for Independent Persons operating outside the Borough Council's area.
7. To attend training events organised and promoted by the Council's Licensing, Audit and General Purposes Committee.
8. To act as advocate and ambassador for the Council in promoting ethical behaviour.

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