

LICENSING AND GENERAL PURPOSES COMMITTEE

Meeting held on Monday, 25th September, 2017 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr A. Jackman (Chairman)
Cllr J.E. Woolley (Vice-Chairman)

Cllr Liz Corps
Cllr S.J. Masterson
Cllr M.D. Smith
Cllr L.A. Taylor
Cllr Jacqui Vosper

Apologies for absence were submitted on behalf of Cllr Sue Carter, Cllr Sophia Choudhary, Cllr A.H. Crawford and Cllr B. Jones.

14. MINUTES

The Minutes of the Meeting held on 26th June, 2017 were approved and signed by the Vice-Chairman.

15. INTERNAL AUDIT - AUDIT UPDATE

The Committee considered the Audit Manager's Report No. AUD1705 which gave an overview of the work completed by Internal Audit during Quarter 2, an update on progress made with the expected deliverables for Quarters 2 and 3 (as had been approved by the Committee at the previous meeting) and sought endorsement of the work expected to be delivered in Quarter 4.

The Committee was advised that resources within Internal Audit currently remained the same as had been reported to the previous meeting in June 2017. The Audit Manager's post had been advertised and contractors continued to be used to provide assistance for the delivery of the internal audit plan. The resources would further change in Quarter 3, as the Internal Auditor would be commencing maternity leave. It was noted that this post would initially be covered through the use of contractors.

The Committee noted that, in Quarter 2, work had been carried out on Activation Aldershot (Capital Programme), heating payments, card payments, capital projects follow up, transparency code, purchase and sale of property and land and contract letting and tendering. In addition, it was noted that, as a requirement of the Public Sector Internal Audit Standards, an external assessment against the standards was currently in progress. The assessment was being carried out as a peer review with the Hampshire and Isle of Wight Audit Managers' Group. Each of the overall standards was being reviewed and discussed by the Group in order to identify best practice across Hampshire. The findings of the external assessment would be

reported to the Committee in due course highlighting areas in which further work might be required.

It was further noted that, in Quarter 2, Internal Audit would be assisting External Audit with some of the work required around checking IT parameters on the Benefits system, which was required for the annual Housing Benefit return.

The Report set out details of the current status against audits previously agreed to be delivered in Quarter 2 and the additional audit review required.

The work expected to be delivered in Quarters 3 and 4 had been selected from the high risk areas set out in Appendix B to the Report. These were in respect of: HR (HMRC requirements/taxation requirements); Finance (NNDR Billing and Collection); HR (payroll); Finance (FMS and Bank Reconciliation); Finance (Purchase Ledger); Community (Parking machine income follow-up); Finance (Activation Aldershot follow-up); and, Finance (Capital Programme - Depot). The Committee noted that, due to resource limitations and an additional higher risk area having been identified in Quarter 2 for review in 2017/18, it was unclear at this stage if these audits could be completed in 2017/18.

RESOLVED: That

- (i) audit work carried out in Quarter 1 and the update to the expected deliverables in Quarters 2 and 3, as set out in the Audit Manager's Report No. AUD1704, be noted; and
- (ii) the expected deliverables for Quarter 3 be endorsed.

16. ANNUAL GOVERNANCE STATEMENT

The Committee considered the Solicitor to the Council's Report No. LEG1713 which sought approval of the Council's Annual Governance Statement 2016/17 in light of the adoption by the full Council on 27th July 2017 of a revised Code of Corporate Governance. The Report also sought approval to publish the Annual Governance Statement alongside the Council's Statement of Accounts, which would be considered later at the meeting.

The Committee had considered a draft of the Annual Governance Statement at the meeting on 26th June, 2017, based on a draft Code of Corporate Governance which, at the time, had yet to be adopted by the full Council. This had subsequently taken place on 27th July 2017. The Committee was advised that the Annual Governance Statement had been further amended after the Corporate Leadership Team had undertaken a review of the significant governance issues to be addressed in the forthcoming year. The principal areas of risk were now set out in the Governance Statement under 'Risk Management, the General Data Protection Regulation and the Risk of Non-delivery of Key Projects'. The Review of Policy and Review Panels, the Review of Partnership Working and other items identified in the previous version would be undertaken within service areas but were not considered to be significant governance issues. The revised Annual Governance Statement was set out in full

as an Appendix to the Report. The Leader of the Council and the Chief Executive were both required to sign the Annual Governance Statement.

RESOLVED: That the Annual Governance Statement 2016/17, as set out in the Solicitor to the Council's Report No. LEG1713, be approved for publication with the Council's Statement of Accounts.

17. STATEMENT OF ACCOUNTS AND AUDIT RESULTS

The Committee considered the Head of Financial Services' Report No. FIN1729, which sought approval for the Council's Statement of Accounts for 2016/17 and set out the findings of the Council's external auditors, Ernst & Young, in carrying out their audit work in relation to the 2016/17 financial year.

The Committee noted that the Statement of Accounts had been prepared in line with CIPFA's Code of Practice on Local Authority Accounting' for 2016/17 under International Financial Reporting Standards (IFRS) and in accordance with the Accounts and Audit (England) Regulations 2015. The Statement of Accounts had to be published by 30th September 2017.

The Statement of Accounts consisted of the following sections, all of which were set out in Appendix A to the Report:

- Narrative Statement
- Statement of Responsibilities
- Core Financial Statements - Movement in Reserves, Comprehensive Income and Expenditure, Balance Sheet and Cash Flow
- Notes to the Core Financial Statements - including accounting policies
- Collection Fund and accompanying notes

The Council's Annual Governance Statement, which had been approved earlier at the meeting, would be published alongside the Statement of Accounts.

The Council would be providing a letter of representation to the Auditors as part of the annual audit process. This was an important factor in enabling the Auditor to form his/her opinion as to whether the Statement of Accounts provided a true and fair view of the financial position of the Council. A copy of the text of this letter was set out in Appendix C of the Audit Results Report.

The Chairman then welcomed Ms Justine Thorpe of Ernst & Young who was attending the meeting to present the Audit Results Report 2016/17, which was set out in Appendix B to the Report. Ms Thorpe stated that she anticipated that Ernst & Young would issue an unqualified opinion on the financial statements and that the Council had made proper arrangements to secure economy, efficiency and effectiveness in the use of resources. The Auditor had also made some recommendations to strengthen the Council's governance arrangements in relation to the role of the Committee, a review of the Council's risk management framework and the way the Council reviewed the advice received from experts.

The Head of Financial Services and Ms Thorpe then answered Members' questions in respect of land value and buildings on such areas of land.

RESOLVED: That

- (i) the Auditor's Audit Results Report, as set out in the Head of Financial Services' Report No. FIN1729, be noted;
- (ii) the Financial Statements for 2016/17 be approved
- (iii) the letter of representation be approved; and
- (iv) the Chairman be authorised to sign page 15 of the Statement of Accounts 2016/17 to certify the Committee's approval.

18. **ANNUAL REVIEW OF THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN**

The Committee considered the Solicitor to the Council's Report No. LEG1714, which updated the Committee on the annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman (LGSCO).

The Committee noted that the LGO conducted independent, impartial investigations of complaints about service failure and maladministration. Where complaints arose regarding Rushmoor Borough Council, there was a two-stage formal complaints procedure. Only after the completion of these stages, if the complainant was still dissatisfied then they had the option to complain to the Local Government Ombudsman. If the Ombudsman found maladministration causing injustice, then he would make recommendations for a remedy to redress the injustice. The LGO could also recommend changes to policy and practice to address wider systemic failures. The LGO now included 'Social Care' in its name and logo. This was in response to feedback which suggested that the original name acted as a barrier to recognition with the social care sector.

The Committee was advised that, in addition to the 2016/17 annual letter, the LGSCO had provided spreadsheets detailing additional information on the complaints and enquiries received within the period and information on the decisions made in the period. A copy of the spreadsheet was set out in the appendix to the Report.

The Committee was advised that from 5th April 2016 until 20th March 2017 the LGSCO had received a total of seven complaints against the Council. Two of these had been referred back to the Council for local resolution without further action being taken by the Ombudsman. The remaining five complaints had been generated from Environmental Health (1), Planning (3) and Revenues and Benefits (1). The complaints received against the Council had been decided as follows:

- three complaints had been closed after initial enquiries without any investigation having been undertaken.
- the remaining two complaints had not been upheld.

The LGSCO report therefore had concluded that Rushmoor Borough Council had a 0% uphold rate out of seven complaints made against it. The uphold rate was

calculated in relation to the total number of detailed investigations. Members noted that this continued the uphold rate from the previous year and was indicative that the Council's complaints system was working well and that complaints had been properly addressed when they occurred.

RESOLVED: That the Solicitor to the Council's Report No. LEG1714 be noted.

The meeting closed at 7.18 pm.

CLLR A. JACKMAN (CHAIRMAN)
