

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 8 March 2017 commencing at 2.00 pm and finishing at 4.00 pm

Present:

Voting Members: Councillor Sandy Lovatt – in the Chair

Councillor David Wilmshurst (Deputy Chairman)
Councillor David Bartholomew
Councillor Yvonne Constance OBE
Councillor Tim Hallchurch MBE
Councillor Nick Hards
Councillor Alison Rooke
Councillor Roz Smith
Councillor John Tanner

Non-voting Members: Dr Geoff Jones

By Invitation: Paul King & Alan Witty (Ernst & Young)

Officers:

Whole of meeting Lorna Baxter, Director of Finance; Ian Dyson, Assistant Chief Finance Office (Assurance); Sarah Cox, Chief Internal Auditor, Colm Ó Caomhánaigh, Committee Officer.

Part of meeting

Agenda Item	Officer Attending
5	Graham Shaw, Director of Customer Experience

The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.

12/17 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

No apologies were received.

13/17 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE

(Agenda No. 2)

There were no declarations of interest.

14/17 MINUTES

(Agenda No. 3)

The minutes of the meeting of 11 January 2017 were approved and signed.

Under item 9/16 Constitutional Review, in relation to speaking rights at planning meetings, Councillor Bartholomew noted that the responses from the City and District Councils were mixed. Some were refusing to introduce reciprocal arrangements for County Councillors at their meetings. He asked what was the next step. The Chairman responded that the councils were autonomous and made their own arrangements. If any Member wished to change the County Council rules they should put a motion to Full Council. Councillor Constance offered to bring it up at the Vale's Constitutional Review but they had only recently completed a review.

15/17 TRANSFORMATION UPDATE

(Agenda No. 5)

Ms Baxter and Mr Shaw gave a slide presentation on the transformation programme, now called "Fit for the Future". The previous five work streams have been consolidated into three: Digital First, Business Efficiencies and Place with a substantial programme of work also on Children's Services. Staff now get regular updates via email and intranet and secondment opportunities will be introduced shortly. The breakdown of the first phase budget was outlined.

Members raised a number of points with the Officers who responded as follows:

- They are communicating also with external partners as appropriate and one strand of work focusses on inter-operability of systems with partners.
- The hub being established for programme staff will have 20 to 30 people but they will not necessarily be there all the time.
- Some funds have become available because the broadband rollout will not cost as much as originally expected - even when the remaining 5% of the county has been reached.
- Mr Shaw agreed to look at the problems for 'dual-hatted' councillors who need to access the County network as well as their local council network.
- On-line services are not replacing existing services but will offer the option to those who want it and will save the Council money.
- In relation to concerns about data security, protocols are already in place and this programme will examine if they need to be updated.
- The number of community hubs still needs to be decided but they could provide opportunities for hot-desking which is already being encouraged for staff.

The Chairman thanked Officers for the presentation and noted that it seemed that improvements that had been promised for a long time were beginning to be achieved now.

16/17 UPDATE ON FINANCE IMPROVEMENT PLAN

(Agenda No. 6)

Mr Dyson summarised the latest report on the Finance Improvement Plan. He reported that more time was being spent now on strategic improvements and less on control issues. The Audit Working Group gets regular updates and is generally satisfied with progress. He added that there was a meeting on 2 March regarding duplicate payments to assign responsibility for ensuring that funds are received.

Mr Dyson provided more information in response to Members' questions:

- With the retirement of the Legal Executive handling debt recovery, the role is being reviewed to separate out work that does not need a legal person.
- With regard to the point that too many small purchases are being made by purchase order, Mr Dyson said that the number was in the thousands.
- It is too early to set targets for Payment Card Industry (PCI) compliance.
- The blockages in the purchasing process are mostly at purchase point.
- Payment cards can be like credit cards or can be pre-paid cards with credit loaded.

RESOLVED: to note the report.

17/17 EXTERNAL AUDITORS

(Agenda No. 7)

Mr King summarised the report from the external auditors noting that most of the relevant detail was on page 16 of the agenda. They expect to complete this year's audit by mid-August in anticipation of next year's earlier deadline at the end of July. They are part-way through their examination of the LOBO loans objection and expect to establish a view in the next few weeks.

In response to questions from Members with regard to the valuation of highways assets and the problem of deteriorating road surfaces, Mr King said it would be expected that standard metrics will be applied, for example a value per mile. Official guidance will have to include some consideration of the issue of deteriorating surface conditions.

RESOLVED: to note the report.

18/17 AUDIT WORKING GROUP REPORT

(Agenda No. 8)

Ms Cox summarised the report of the Audit Working Group meeting on 8 February 2017. In particular, the group noted concerns from the audit of Mental Health with the delivery of the action plan and asked for an update at its 21 June 2017 meeting.

RESOLVED: to note the report.

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19/17 WORK PROGRAMME

(Agenda No. 9)

The Committee agreed the Committee’s work programme, subject to the following changes:

- Update on Hampshire Partnership will be deferred from the April meeting and taken with the HR Update at the July meeting.
- The OCC Accounts 2016/17 will be brought forward from the September meeting to the July meeting.
- A Review of Performance Management of the Highways Partnership Contract will be added to the July meeting.

..... in the Chair

Date of signing

2017