

DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

SPECIAL GOVERNANCE AND AUDIT COMMITTEE**MINUTES OF THE MEETING HELD ON
TUESDAY, 05 JANUARY 2010**

Councillors: Jeff Beck (*Chairman*) (P), Paul Bryant (P), Tony Linden (P), Irene Neill (P), Julian Swift-Hook (P), Tony Vickers (*Vice-Chairman*) (P), Quentin Webb (P)

Substitutes: Brian Bedwell, Adrian Edwards, Roger Hunneman, Keith Lock

Also present: Andy Day (Head of Policy and Communication), Moira Fraser (Democratic Services Manager), Ian Priestley (Assurance Manager) and Shiraz Sheikh (Solicitor)

PART I

The Chairman thanked Members and Officers for agreeing to start the meeting two hours earlier due to the inclement weather. He noted that it was important that the Committee have the opportunity to consider items 5 and 6 as they were to be discussed at the Special Council meeting arranged for the 21 January 2010.

The Chairman congratulated Councillor Doctor Tony Vickers as he had recently been awarded a doctorate by Kingston University.

30. APOLOGIES.

No apologies for absence were received for inability to attend this meeting.

31. MINUTES.

The Minutes of the meeting held on 28 September 2009 were approved as a true and correct record and signed by the Chairman subject to the following amendments

Item 24, fourth paragraph, last sentence – to be amended by deleting the full stop and starting the part of the sentence ‘and was likely to’ with a small letter ‘a’.

Item 25, paragraphs four and five to refer to ‘school balances’ and not just the word ‘balances’:

The Chairman also noted that Steve Broughton had prepared and circulated a note setting out the basis and frequency of the revaluation of the Council’s assets as referred to in resolution (2) Item 28.

32. DECLARATIONS OF INTEREST.

There were no declarations of interest declared at the meeting.

33. Q2 OF 2009/10 INTERNAL AUDIT REPORT.

The Committee considered a report (Agenda Item 4) concerning the outcomes of Internal Audit work for the second quarter (July to September) of 2009/10.

Ian Priestley explained that only one audit undertaken over this period had been rated as weak. It related to an income spot check at the Waterside Youth and Community Centre. He noted that although the sums of money were small this was a serious issue. The then Head of Service had responded quickly to the situation and training and support had been put in place to rectify the situation. A follow up

spot check would be undertaken in due course. Members requested that this take place relatively quickly.

Councillor Doctor Tony Vickers felt that this was an issue that could be widespread across the Council as many Officers were required to deal with cash despite the fact that this was not the core business of their role. He therefore felt that it would be useful to undertake a comprehensive review of such activities across the Council.

Officers noted that wherever possible the Council was trying to move to a situation where cash transactions were removed altogether. Officers also noted that consideration was being given to issuing credit cards to appropriate Officers who needed to make cash purchases which would improve the audit trail. Also officers were looking at installing card payment facilities at sites where cash payments were made.

Members noted the work commenced, the draft reports issued and the list of completed audits and follow ups.

RESOLVED that the outcomes of the Internal Audit work for quarter two be noted.

34. PROPOSED CHANGES TO THE CONTRACT RULES OF PROCEDURE.

The Committee considered a report (Agenda Item 5.) concerning changes to the Contract Rules of Procedure as set out in the Council's Constitution. Shiraz Sheikh, in introducing the item noted that the new Remedies Directive had been issued by the European Union on the 20 December 2009. As a consequence Officers had not had a lot of time to refine the presentation of the document which would be amended prior to being considered by Full Council on the 21 January. It might also be necessary to make additional changes to the rules later in the year as more details of the changes required by the EU became apparent and case law emerged.

Officers had also taken the opportunity to amend the document to ensure that it was compliant with other recent changes to legislation and took cognisance of best practice.

Shiraz Sheik noted that one of the most significant changes that had been required was that in the future fewer exceptions would be permitted and therefore, the Council would have less opportunity to exercise any discretion in awarding contracts. As a consequence, local authorities were being encouraged to use more framework agreements which could be used when contracts needed to be awarded quickly.

Shiraz Sheikh did not feel that the changes to the rules would result in significant changes to the practices currently being followed by Officers. The decrease in the number of exceptions would however mean that Officers would need to ensure that they factored in sufficient time to follow the rules as prescribed when undertaking a procurement exercise.

Shiraz Sheikh also cautioned that unsuccessful bidders now had more rights and if Officers were deemed not to have followed the rules, bigger penalties could now be awarded. A training programme was therefore being implemented to assist Officers with compliance with the new rules.

Members requested that the following amendments be made to the document:

- The index be updated;
- The footnote to reflect that the amendments were made in January 2010;
- 12.1.20 – change ‘balanace’ to ‘balance’
- 12.3.1 – delete the word ‘Officer’ in the sentence ‘.....as nominated by them Officer in respect of.....’
- 12.3.2 the last sentence – Members felt that as the threshold values would be amended from time to time it would be more appropriate to make a reference in the document to a source where the thresholds could be obtained (Officers noted that where changes were made the Head of Finance was required to issue a revision note.);
- 12.3.4 (j) – include the letter ‘s’ in the sentence ‘There are notification requirements under the’
- 12.4. to be deleted and the numbering of the rest of the document to be amended accordingly;
- 12.6.5 – amend the last sentence to read: ‘The Head of Service or their delegated Officers must obtain a minimum of three written quotations from appropriate sources’ by deleting the words ‘must be sought’; and
- 12.7.2 and 12.7.3 need to ensure that two sections were aligned in respect of any tenders that arrived after the closing date. This would be achieved by inserting ‘Subject to 12.7.2’ at the start of 12.7.3 before the words ‘all tenders for contracts’;
- 12.8.7 – delete the letter ‘h’ in the first sentence and replace with appropriate word perhaps ‘Headteacher’.

Members discussed the merits of presenting the changes to the document using tracked changes and felt that in the future it would be useful to present both a tracked changes and a ‘clean’ version to aid understanding.

It was agreed that Officers would amend the document as suggested and that the final version would need to be agreed with the Chairman of this Committee prior to inclusion in the Full Council agenda for the meeting on the 21 January.

Members thanked Officers for this sterling piece of work especially given the short timescales.

RESOLVED that the Governance and Audit Committee would recommend the report (unanimously) to Full Council for approval provided that the requested amendments set out above were incorporated into the document and that the final version be signed off by the Chairman of this Committee.

35. PROPOSED CHANGES TO THE CONSTITUTION – WARD MEMBER SPEAKING RIGHTS AT PLANNING MEETINGS.

The Committee considered a report (Agenda Item 6.) concerning proposed minor amendments to the Council’s Constitution to include speaking rights for Ward Members and align them with the speaking rights of the other parties already accorded speaking rights.

Moira Fraser in introducing the report noted that a request had been made to amend the Constitution following two recent planning meetings (one Eastern Area and one Western Area Planning Committee) where it had been highlighted that

Ward Members who were not Members of the Planning Committee did not have express speaking rights at the meeting.

Councillor Tony Linden was concerned that the introduction of this amendment would restrict the speaking rights of Ward Members not on the Committee to five minutes. Councillor Linden was also concerned that where more than one Ward Member wished to speak they would need to share the five minutes.

It was agreed however that in line with natural justice and transparency Ward Members should be afforded the same speaking rights as other parties accorded speaking rights. Councillor Paul Bryant commented that Ward Members who were on the Committee would be afforded a longer time to speak. Members felt that to some degree this was a presentational issue and would have to be managed by the Chairman at the planning meeting.

Members requested that (s) be added after the words ‘Ward Member’ where the changes had been inserted and that the last paragraph of 7.13.5 be amended to ‘Where more than one individual representing the parties accorded speaking rights wishes to speak.....’.

RESOLVED that the Governance and Audit Committee would recommend the report to Full Council for approval provided that the requested amendments set out above were incorporated into the document.

29. DATE OF THE NEXT MEETING.

The Committee noted the next meeting would take place on the 22 February 2010 at 6.00pm.

(The meeting commenced at 4.00pm and closed at 4.58pm)

CHAIRMAN

Date of Signature: