

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 20 July 2023

Report of: Monitoring Officer

Subject: MONITORING OFFICER REPORT

SUMMARY

This report seeks to update Members on a variety of assurances which are within the functions of the Audit and Governance Committee that do not require a full report in their own right. This report includes several changes to the Constitution and the Work Programme for 2023/24 to allow Members to consider those items being brought to the Committee for the remainder of this municipal year. The report is set out into two parts. Part One is for noting and Part Two sets out those items for approval or endorsement.

RECOMMENDATION

It is RECOMMENDED that the Audit and Governance Committee: -

- a) notes the contents of Part One of the report;
- b) considers the matters for endorsement in Part Two of the report; and
- c) recommends that Council endorses the: -
 - i) changes to the Petition Scheme as set out in Appendix B;
 - ii) changes to Part 3, Chapter 5 - Decision Making by Individual Members of the Executive and Key Decisions by Officers set out in Appendix C; and
 - iii) revisions to Part 6 – Scheme of Delegation to Individual Members of the Executive.

INTRODUCTION

1. This report is a standard agenda item for the Audit and Governance Committee which was developed in 2022 with the intension of reducing the Committees agendas by bringing a way of reporting to the Audit and Governance Committee through the Monitoring Officer, on items which are significant but do not justify a full report in their own right.
2. Officers' expectation is that this report still provides Members with the assurance required to carry out their functions, as set out in Part Two, Chapter 8 of the Constitution, whilst reducing the amount of detail that may have been provided in the past. The report proved to be a success last year so will continue in 2023/24.

Part One: matters for noting

ACCOUNTABILITY

3. At its meeting on the 13 March 2023, the Committee agreed its Work Programme for 2023/24, this was then endorsed by Council in April. This report also sets out at Appendix A, a simplified version of that work programme, listing items which will be brought to Committee within this municipal year to allow Members to consider and note the agenda items for the remainder of the municipal year.
4. In a change to the Work Programme agreed in March, the external audit reports on the Annual Plan and Fee and Annual Report and Value for Money Commentary, originally scheduled for this meeting have been deferred to September. This is due to the delay in completing the 2021/22 external audit.
5. A variety of complex factors are contributing to the audit delays which are a sector-wide issue, including audit firms experiencing resource problems with a lack of qualified and experienced staff. Only 12% of local government bodies had an audit opinion on the 2021/22 financial statements by the statutory accounts publication deadline of 30 November 2022. It is worth noting that Local authorities are not subject to any penalties for the missed deadline.
6. The external auditors Ernst and Young (EY) are prioritising the 2021/22 audits and have allocated audits into three tranches, starting with those closest to completion. Fareham's audit is in the first tranche, starting week commencing 03 July for two weeks. Once all the 2021/22 audits are closed EY will commence with the 2022/23 audit and an update on timing will be given in due course.
7. The External Audit – Annual Certification Report which was also originally scheduled for this meeting is also to be deferred to September. Although the work on the annual housing benefit subsidy audit is almost complete, a management review is required before it can be finalised and this will not happen in time for the publication deadlines for this Committee.

Part Two: matters for approval or endorsement

8. As a change from previous Monitoring Officer Reports, to assist Members in reviewing the amendments to the Constitution officers will split into separate sections 'Updates' and 'Changes'.
9. Updates will be classified as administrative amendments that the Monitoring Officer is able to make in order to keep the Constitution up to date. For example this will include minor changes in legislation or updates to the Policy Framework. Changes will be classified as content amendments of the Constitution which will require consideration and endorsement by the Committee and recommendation to Council for approval.

UPDATES TO THE CONSTITUTION

10. On this occasion this report seeks to inform Members on updates to the Constitution. A number of which have already been made by the Monitoring Officer and require noting by the Committee.
11. Annually there may be several routine updates to the Constitution, including The Policy Framework and Executive Portfolios which are agreed at Annual Council and the first Executive meeting of the municipal year, for example. This year the Policy Framework was updated at Council on the 11 May 2023.
12. Due to the appointment of a new Chief Executive Officer, there has also been a change to the senior management structure which is held within Part Eight of the Constitution.
13. The Constitution document continues to be reviewed regularly with typographical errors and formatting updates made if and when required.

CHANGES TO THE CONSTITUTION

Petition Scheme

14. A review of the Petition Scheme has been undertaken by Democratic Services officers. Due to the increase in e-petitions being used both through the Council's website and externally, changes are required to ensure that the guidance is robust and fair for both e-petitions and those submitted in paper form. Appendix B provides a copy of the Petition scheme with these changes.
15. Officers have also updated the website to mirror these changes to assist petitioners in accessing all the information required to ensure their petition meets the criteria and can be accepted by the Council.

Executive Member Delegations

16. To maintain expediency and to clarify the situation when an Individual Executive Member cannot carry out an individual decision due to a conflict of interest, it is recommended to amend Part Three – Chapter 5 - Decision making by individual members of the Executive and Key Decisions by Officers.

17. Appendix C highlights the change that is required, which, if approved will allow the Executive Leader to appoint another Executive Member to exercise the delegations of any Executive Member if they are unable to carry out their delegated powers as per Part Four -Scheme of Delegation to Individual Members of the Executive.
18. Following this piece of work, officers have also undertaken a review of the Scheme of Delegation to Individual Members of the Executive which was first created in 2004. Although updated regularly when new delegations are added, or existing delegations are changed, the document has not been reviewed in full since 2004.
19. Officers seek to make changes to the document to reference other parts of the Constitution which are relevant to the Scheme and have added additional information to the table of delegations to allow ease of reference to when individual delegations have been added or amended. This new document is set out at Appendix D.
20. The Executive Leader has delegated powers to update the Scheme of Delegation to Individual Members of the Executive. On this occasion as the changes highlighted in the report are clerical, officers are bringing them to the Committee for endorsement.

RISK ASSESSMENT

21. There are no significant risk considerations in relation to this report

CONCLUSION

22. Members are asked to note the Contents of Part One of this report and consider the Council's endorsement of the changes to the Constitution set out in Part Two.

Appendices: -

- Appendix A: Summaries Work Programme 2023/24
- Appendix B: Petition Scheme – Constitution - Part 4, Standing Orders in Respect to Meetings
- Appendix C: Part 3, Chapter 5 - Decision Making by Individual Members of the Executive and Key Decisions by Officers.
- Appendix D: Constitution – Part 6 – Scheme of Delegation to Individual Members of the Executive

Background Papers:

The Constitution Log

Reference Papers:

The Constitution

Audit and Governance Work Programme – 13 March 2023

Council Minutes – 11 May 2023

Enquiries:

For further information on this report please contact Sarah Robinson. (Tel: 01329 824566)