

# FAREHAM

## BOROUGH COUNCIL

### Report to Audit and Governance Committee

**Date:** 13 March 2023

**Report of:** Monitoring Officer

**Subject:** MONITORING OFFICER REPORT

#### SUMMARY

This report is a standard item on the Audit and Governance agenda and seeks to update Members on a variety of assurances which are within the functions of the Committee but do not require a full report in their own right. It includes the Committee's work programme, annual review, the Member training review and asks Members to consider updates and the annual review of the Council's Constitution. This report is set out in two parts. Part One provides details of items for noting and Part Two sets out those items for approval or endorsement.

#### RECOMMENDATION

It is RECOMMENDED that the Audit and Governance Committee: -

- a) note the contents of Part One of the report; and
- b) asks Members to pass comment on the matters for Council endorsement in Part Two of the report.

## **INTRODUCTION**

1. The Committees role is to seek assurance and provide a strategic overview to ensure efficient and effective reporting, control and assurance arrangements are in place. This report seeks to bring 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. The various section headings within this report are taken directly from the Committees Functions as set out in Part Two, Chapter 8 of the Constitution.

### **Part One:** Matters for noting

## **ACCOUNTABILITY**

3. The Audit and Governance Committee publishes an annual review report on its activities. As part of the ongoing work to help minimise the number of items on each agenda, for the first time this Annual Review of the Audit and Governance Committee is included within this Monitoring Officer report.
4. The purpose of the review is to report on the work of the Committee throughout the municipal year and a look ahead at the next year, including details of coverage against the purposes as set out in the Constitution, Part Two – Chapter 8 – Functions of the Audit and Governance Committee. To provide this assurance Members are asked to consider this year’s work programme for 2022/23 at Appendix A and a proposed work programme for 2023/24 at Appendix B.
5. Appendix A provides a detailed work programme for Members to consider their activity over this municipal year 2022/23. Where items have been included within the Monitoring Officer report this has been annotated to make it clear at what meeting those assurances have been provided.
6. Members are asked to note that the Annual Certification Report has not been brought to the Committee this municipal year and has been delayed until the next meeting of the Committee. This is due to the original External Auditors KPMG LLP exercising their right to no longer carry out this work and alternative auditors , Ernst and Young, needing to be found and given time to complete the 2021/22 Housing Benefit audit. Therefore, officers do not have their Annual Certification Report to inform to the Committee at this time.
7. The proposed work programme for 2023/24, attached at Appendix B, details items that will be brought to Committee within the next municipal year, which is for noting by the Committee and will then be endorsed by Council. Again, where appropriate items to be included within other reports has been annotated.
8. This municipal year has been a significant change in the way that some items of assurance have been reported to the Committee. In total seven agenda items have been removed from the work programme and included within either the Monitoring Officer report or the Head of Audits Quarterly report. It is hoped that this has had a positive impact on the Committee, both for Members and Officers.

## **Member Training**

9. The Audit and Governance Committee is charged with monitoring and reviewing the arrangements for members' training and development to ensure that the capacity of Members to provide effective governance and community leadership continues to develop. In Appendix C to this report officers have outlined the member training and briefing sessions that took place in 2022/23.

### Member safety training

10. A significant training module which commenced in 2022 was the Councillor Safety Training programme. This programme supports the work of the Local Government Association's "Debate Not Hate" campaign which aims to raise public awareness of the role of Councillors in their communities, encourage healthy debate and improve the responses and support for local politicians facing abuse and intimidation.
11. A report was taken to the December 2022 Council meeting which outlined this campaign and the ongoing work by the Council to understand the issues faced by its councillors and to relevant training modules in place to support them.
12. Members' will note the Council resolution to hold mandatory training sessions and engagement has taken place with outside organisations with sessions to be held over the coming months.

### New councillor training

13. A review of the training given to new Councillors will be undertaken this year in readiness for the 2024 Election. This review will assess what the current induction training content includes; whether any changes to this are required and identify any additional induction training requirements.
14. Members will find attached at Appendix D, a current schedule outlining the modules for new councillors. Members are asked to make any suggestions for training they feel new Councillors would benefit from, for this to be considered within the review.

## **Part Two:** Matters for approval or endorsement

### **The Constitution**

15. The Local Government Act 2000, Part 1A, Chapter 5 states that all local authorities must prepare and keep up to date a Constitution document. The Constitution updates have been a consistent aspect of this new Monitoring Officer report to provide regular updates to the Committee and also allow Officers to make regular amendments without the need bring a full report to the Committee.
16. This report includes an update to the Constitution and also provides a Constitution review, to allow Members to note all the updates to the Constitution since the last review in July 2022.

## Constitution Update

17. Members are asked to note a change to the **Council's deputation scheme** which forms part of the Standing Order with Respect to Meetings. The update is to allow for a change in protocol with regards to written deputations to take effect. As Members may recall, the Council introduced the option for written deputations to be submitted as part of a number of measures implemented during the Covid-19 lockdown, to ensure that the public could still engage with formal decisions. This additional method of giving a deputation has continued, and now a small change to the protocol will require Members to read the written deputations in advance of the meetings. Previously, written deputations have been read out by a Member of the Committee Team.
18. Delegation is given to the Head of Democratic Services to make amendments to the deputation scheme to allow for protocols to be updated. Therefore, Members are asked to note the changes to the scheme at Appendix E. In addition, a minor change is also required to paragraph 6.2.1 of the Standing Orders with Respect to Meetings so that it reads 'Deputations shall be heard received by Council, a meeting of the Executive....'
19. A preliminary review of the Council's Financial Regulations has been complete and changes are proposed to Financial Regulation 4 on Authorisation Limits as set out in Appendix F.
20. These changes, as summarised below, reflect the operation of the new financial system and analysis of the value of payments being processed:
  - The Authorisation levels 1-3 are to be swapped around to match how they are set up on the finance system, with level 1 being the lowest level.
  - Officers in Director, Heads of Service or Strategic Lead posts to automatically set up with authorisation rights without requiring approval.
  - Purchase desk offices can self-approve orders and invoices up to £500. Current analyses indicate that this covers approximately 39% of the number of payments made and less than 1% of the value of payments made.
  - Any request for an officer to be set up with an authorisation limit above that which is usually given for their grade will require second approval from an approved Finance Team Authoriser.
  - The Authorisation Limit for new Level 1 to be raised from £10,000 to £20,000 in order to reduce the number of requests for officers to be given the Level 2 level of £100,000; especially where there is no Head of Service in that department. Current analyses indicate that this will remove approximately 240 orders or invoices a year from needing Head of Service level approval.

- The rule on when Financial Management authorisation is needed for payments over £50,000 has been streamlined as part of the Financial Management role. This second authorisation is required for each individual payments to a supplier, to the total value of a payment run and also for payments made through on-line banking.

### Constitution Review

21. In 2018 the Committee agreed to carry out the first annual review of the Council's Constitution. This has been an annual report to the Committee since then.
22. With the introduction of the Monitoring officer report this municipal year, officers have been able to update Members of the Committee on changes, updates and administrative changes throughout the year. Therefore, moving forward the Constitution review will be an opportunity to look back at the changes to the Constitution over the past year to allow the Committee to carry out a review rather than a separate report.
23. The table below lists the changes and updates that have been made to the Constitution since the last review in July 2022.

Date	Part of the Constitution Updated	Reason for Change	Decision maker & Report Title
28 Jul 22	Part Five – Code of Conduct for Members	To ensure Members are not able to attend a meeting once a disclosable pecuniary interest has been declared. Removal of paragraph 7.6.	Council (through A&G Minutes)
	Part Four – Standing Orders in Respect to Meetings	As paragraph 7.6 to be removed from Part Five - Code of Conduct for Members, referenced within this document was also removed.	
	Part Five – Code of Practice for Ensuring Equal Opportunities in Employment	To be removed as is incorporated within the Code of Practice for ensuring Dignity at Work.	
	Part Five - The Code of Practice for ensuring Dignity at Work	Entire document reviewed and updated	
27 Oct 22	Part One – Chapter 13 – Legal, Financial and Contract Matters	Paragraph 13.7 and 13.8 updated to allow a digital solution for the signing of contracts for goods, services and works.	Council (Through A&G Minutes)
	Part Five – Code of Conduct and Disciplinary Rules and Procedures	Entire document reviewed and updated	
	Part Four – Financial Regulations	Additional wording to Financial Regulation 11.2 (Internal Audit) in order to comply with Principle 3.31 of the CIPFA Statement on 'The Role of the Head of Internal Audit 2019'.	
	Part Four – Procurement and Contract Procedure	Following a review, a number of amendments were made to ensure the Procurement and Contract Procedure	

	Rules	Rules continue a high level of compliance.	
25 Jan 23	Part One – Appendix 5A – Executive Portfolios including specific service responsibilities	Amendments to the Executive portfolios by removing Cemeteries and Crematorium from the Streetscene portfolio and added to the Health and Public Protection portfolio.	Executive Leader – Amendments to the Areas of Executive Portfolio Responsibility

24. The table above shows that the new way of reporting has greatly increased the ability to bring amendments to the Constitution through the Committee process without the need for additional reports, as the number of updates listed is significantly higher than in previous years. The hope is that this provides additional assurances to Members that the Constitution document is being maintained and compliant to a high standard.

### **RISK ASSESSMENT**

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

#### **Appendices:**

- Appendix A -** Work Programme 2022/23
- Appendix B -** Work Programme 2023/24
- Appendix C -** Member Training Schedule 2022/23
- Appendix D -** New councillor induction modules
- Appendix E -** Standing Order with Respects to Meetings – Deputation Scheme – track changes
- Appendix F -** Financial Regulations Authorisation Limits

#### **Background Papers:**

The Councils Constitution  
Council Agenda – 21 April 2022

[Council report “Members’ Safety” 15 December 2022](#)

#### **Reference Papers: None**

#### **Enquiries:**

For further information on this report please contact Sarah Robinson. (Ext 4566)