

# Audit Committee

Monday, 25th January, 2010  
at 6.00 pm  
Committee Room 1 - Civic Centre

This meeting is open to the public

## **Members**

Councillor Ball (Chair)  
Councillor Beckett  
Councillor Bogle (Vice-Chair)  
Councillor Daunt  
Councillor Fuller  
Councillor Wells  
Councillor Williams , R

## **Contacts**

Democratic Support Officer  
Keith Turner  
Tel. 023 8083 2418  
Email: [Keith.turner@southampton.gov.uk](mailto:Keith.turner@southampton.gov.uk)

Head of Service:-

Carolyn Williamson  
Executive Director of Resources  
Tel. 023 8083 4370  
Email: [Carolyn.williamson@southampton.gov.uk](mailto:Carolyn.williamson@southampton.gov.uk)

# PUBLIC INFORMATION

## **Role of the Audit Committee**

The Committee has responsibility for:-

- providing an independent assurance to the Standards and Governance Committee on the adequacy of the risk management framework and the internal control and reporting environment including (but not limited to) the reliability of the financial reporting process and the statement of internal control;
- satisfying and providing assurance to the Standards and Governance Committee that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies; and
- specifically, the oversight of, and provision of assurance to the Standards and Governance Committee on, the following functions:-
  - ensuring that Council assets are safeguarded;
  - maintaining proper accounting records;
  - ensuring the independence, objectivity and effectiveness of internal and external audit;
  - the arrangements made for co-operation between internal and external audit and other review bodies;
  - considering the reports of internal and external audit and other review and inspection bodies;
  - the scope and effectiveness of the internal control systems established by management to identify, assess, manage and monitor financial and non-financial risks (including measures to protect against, detect and respond to fraud).

## **Southampton City Council's Six Priorities**

- Providing good value, high quality services
- Getting the City working
- Investing in education and training
- Keeping people safe
- Keeping the City clean and green
- Looking after people

## **Public Representations**

At the discretion of the Chair, members of the public may address the meeting about any report on the agenda for the meeting in which they have a relevant interest.

**Smoking policy** – the Council operates a no-smoking policy in all civic buildings.

**Mobile Telephones** – please turn off your mobile telephone whilst in the meeting.

**Fire Procedure** – in the event of a fire or other emergency a continuous alarm will sound and you will be advised by Council officers what action to take.

**Access** – access is available for disabled people. Please contact the Democratic Support Officer who will help to make any necessary arrangements.

## **Dates of Meetings: Municipal Year 2009/10**

<b>2009</b>	<b>2010</b>
Weds 24 June	<b>Mon 25 January</b>
Weds 23 Sept	<b>Thurs 18 March</b>
<b>Thurs 10 Dec</b>	

## CONDUCT OF MEETING

### **Terms of Reference**

The terms of reference of the Audit Committee are contained in Article 8 and Part 3 (Schedule 2) of the Council's Constitution.

### **Business to be discussed**

Only those items listed on the attached agenda may be considered at this meeting.

### **Rules of Procedure**

The meeting is governed by the Council Procedure Rules as set out in Part 4 of the Constitution.

### **Quorum**

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

### **Disclosure of Interests**

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "personal" or "prejudicial" interests they may have in relation to matters for consideration on this Agenda.

### **Personal Interests**

A Member must regard himself or herself as having a personal interest in any matter

- (i) if the matter relates to an interest in the Member's register of interests; or
- (ii) if a decision upon a matter might reasonably be regarded as affecting to a greater extent than other Council Tax payers, ratepayers and inhabitants of the District, the wellbeing or financial position of himself or herself, a relative or a friend or:-
  - (a) any employment or business carried on by such person;
  - (b) any person who employs or has appointed such a person, any firm in which such a person is a partner, or any company of which such a person is a director;
  - (c) any corporate body in which such a person has a beneficial interest in a class of securities exceeding the nominal value of £5,000; or
  - (d) any body listed in Article 14(a) to (e) in which such a person holds a position of general control or management.

A Member must disclose a personal interest.

Continued/.....

## **Prejudicial Interests**

Having identified a personal interest, a Member must consider whether a member of the public with knowledge of the relevant facts would reasonably think that the interest was so significant and particular that it could prejudice that Member's judgement of the public interest. If that is the case, the interest must be regarded as "prejudicial" and the Member must disclose the interest and withdraw from the meeting room during discussion on the item.

It should be noted that a prejudicial interest may apply to part or the whole of an item.

Where there are a series of inter-related financial or resource matters, with a limited resource available, under consideration a prejudicial interest in one matter relating to that resource may lead to a member being excluded from considering the other matters relating to that same limited resource.

There are some limited exceptions.

Note: Members are encouraged to seek advice from the Monitoring Officer or his staff in Democratic Services if they have any problems or concerns in relation to the above.

## **Principles of Decision Making**

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and
- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the "rationality" or "taking leave of your senses" principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, 'live now, pay later' and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

## AGENDA

Agendas and papers are now available via Southampton Online at  
[www.southampton.gov.uk/council/meeting-papers](http://www.southampton.gov.uk/council/meeting-papers)

### **1 APOLOGIES AND CHANGES IN MEMBERSHIP (IF ANY)**

To note any changes in membership of the Committee made in accordance with Council Procedure Rule 4.3.

### **2 INTERNAL AUDIT: STATUS OF WORK DECEMBER 2009**

Report of the Chief Internal Auditor setting out the Internal Audit Status of Work report for the period ending 21<sup>st</sup> December, 2010, attached.

### **3 DECLARATIONS OF INTEREST**

In accordance with the Local Government Act 2000, and the Council's Code of Conduct adopted on 16<sup>th</sup> May 2007, Members to declare any personal or prejudicial interests in any matter included on the agenda for this meeting.

NOTE: Members are required, where applicable, to complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer prior to the commencement of this meeting.

### **4 MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

To approve and sign as a correct record the Minutes of the meetings held on 23<sup>rd</sup> September and 10<sup>th</sup> December 2009, and to deal with any matters arising, attached.

### **5 STATEMENT FROM THE CHAIR**

### **6 EXCLUSION OF THE PRESS AND PUBLIC**

Chair to move that in accordance with the Council's Constitution, specifically the Access to Information Procedure Rules contained within the Constitution, the press and public be excluded from the meeting in respect of Appendix 2 to Item 16 based on Categories 2 and 7 of Paragraph 10.4 of the Access to Information Procedure Rules.

The information contained therein is exempt as it relates to ongoing investigations and is likely to reveal the identities of individuals. Having applied the public interest test it is not appropriate to disclose this information. The interests of any parties involved in these investigations could be jeopardised by the release of the information.

**7 AUDIT COMMISSION: AUDIT AND INSPECTION PLAN PROGRESS REPORT**

Report of the Chief Internal Auditor concerning an update on progress against the 2009-10 Audit and Inspection Plan as presented to the 24th June 2009 meeting and setting out the audit and inspection work that the Audit Commission proposes to undertake for the 2008/09 financial year, attached.

**8 HIGHWAYS SERVICE PARTNERSHIP PROCUREMENT**

Report of the Chief Internal Auditor concerning a Progress Report from the Audit Commission highlighting key risks and issues associated with the above project in its role of adviser on risks to the Council, attached.

**9 ANNUAL TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL LIMITS 2009/10 - 2012/13**

Report of the Executive Director of Resources on the City Council's Prudential Indicators and the Treasury Management Strategy and summarising the main activities undertaken during 2009/10 to date, attached.

**10 RISK MANAGEMENT ACTION PLAN 2008-09: STATUS REPORT**

Report of the Executive Director of Resources concerning out a Status Report in accordance with the Authority's Risk Management Strategy and Action Plan, attached.

**11 ANNUAL GOVERNANCE STATEMENT 2008/09 ACTION PLAN STATUS REPORT**

Report of the Executive Director of Resources concerning the Annual Governance Statement ('AGS') in accordance with the Accounts and Audit Regulations where the Council is required to complete an Action Plan Status document, attached.

**12 NATIONAL FRAUD INITIATIVE 2008-09**

Report of the Chief Internal Auditor detailing the scope and timing of the national fraud initiative exercise, attached.

**13 ASSURANCE MAPPING**

Report of the Chief Internal Auditor concerning the action taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies, attached.

**14 MONITORING AUDIT COMMITTEE RECOMMENDATIONS**

Report of the Democratic Support and Members Services Manager requesting that the Committee considers the actions taken since the last meeting, attached.

**15 IMPROVEMENT OF SCHOOL PERFORMANCE**

Report of the Executive Director of Children's Services and Learning on the Council's performance in relation to the target of pupils achieving level 4 or above in both English and Maths at Key Stage 2 and performance and attainment in the City's schools more generally, attached.

**16 INTERNAL AUDIT: STATUS OF WORK DECEMBER 2009**

Report of the Chief Internal Auditor setting out the Internal Audit Status of Work report for the period ending 21<sup>st</sup> December 2009, attached.

15<sup>th</sup> JANUARY 2010

SOLICITOR TO THE COUNCIL