

Unconfirmed minutes – to be confirmed at the next meeting of the Committee

SOUTH DOWNS NATIONAL PARK AUTHORITY

Agenda item 3

STANDARDS AND AUDIT COMMITTEE MEETING 13 SEPTEMBER 2012

Held at the Grange Centre, Midhurst at 2pm

Present:

David Burden

Janet Coles

Norman Dingemans (Chair)

Mark Kemp-Gee

Sue Seward

Lewis Doyle (Ind Member)

Margaret Paren (ex officio
Member)

Officers: Trevor Beattie (Chief Executive Officer), Helene Rossiter (Director of Corporate Services), Anne Rehill (Performance and Business Planning Manager), Nigel Manvell (Acting Chief Finance Officer), Kevin Gardner (Monitoring Officer), Parveen Akhtar (Deputy Monitoring Officer), Mark Dallen (Internal Audit Manager), Simon Mathers (District Auditor, Audit Commission), and Fiona MacLeod (Member Services Manager).

OPENING REMARKS

1. The Chief Executive Officer welcomed Members to the inaugural meeting of the Standards and Audit Committee.

APOLOGIES

2. Apologies were received from Jim Funnell, Sue Saville, Ken Hunt (Ind Member), and Charles Peck (ex officio Member).

ELECTION OF CHAIR

3. Norman Dingemans was elected Chair and presided over the rest of the meeting.

ELECTION OF DEPUTY CHAIR

4. Sue Saville had nominated herself in her absence and was elected Deputy Chair.

DECLARATIONS OF INTEREST

5. None.

MINUTES

6. The minutes of the Standards Committee meeting held on 27 February 2012 were agreed as a correct record.
7. The minutes of the Audit Committee meeting held on 12 June 2012 were agreed as a correct record.

URGENT MATTERS

8. None

PUBLIC PARTICIPATION

9. There were no members of the public present.

STANDARDS AND AUDIT COMMITTEE TERMS OF REFERENCE

10. The Monitoring Officer reminded the Committee that the Standards and Audit Committee Terms of Reference had been discussed and agreed at the South Downs National Park Authority (the Authority) meeting on 19 June 2012.
11. Following suggestions made by the Committee, it was proposed and agreed that the following amendments be recommended to the Authority meeting on 11 December 2012 for approval:
 - para 8 change to read 'To provide assurance as to'; and

Unconfirmed minutes – to be confirmed at the next meeting of the Committee

- para 11 change to read ‘To review and approve’
12. **Resolved:** that the Committee
- 1) recommends that the Authority ratifies the changes as detailed in minute 11

CORPORATE RISK REGISTER

13. The Committee considered a report introduced by the Performance and Business Planning Manager (Report SAC 01/12) that presented the Authority’s Corporate Risk Register (CRR) as at July 2012. Members attention was drawn to para 2.1 of the report which should have referred to the Audit Committee and not the Standards and Audit Committee meeting.
14. The Committee was provided with the background on the reporting format, priorities and processes that had been agreed by the then Audit Committee.
15. Two new risks had been identified:
- Risk 54 (impact on multiple changes in the Communications Team) was as a result of changes in personnel, sickness absence, and the expansion of the team. This risk was being mitigated by the imminent recruitment of a web officer and the recruitment of two other vacant roles;
 - the Communications and Engagement Strategy would shortly be approved;
 - Risk 58 (ldox not delivering service improvements). Mitigations such as extra resourcing in the Planning Team and an Action Plan had been put in place, and the backlog was expected to be cleared by the end of September 2012.
16. **Resolved:** that the Committee:
- 1) approves the Corporate Risk Register as at July 2012 ; and
 - 2) agrees that there were no risks that should be referred to the Resources and Performance Committee.

LOCALISM ACT 2011 – IMPLEMENTATION TO CHANGES TO THE STANDARDS REGIME

17. The Committee considered a report introduced by the Monitoring Officer (Report SAC 02/12) seeking approval to specified actions relating to the recruitment of an independent person(s). The Report also sought the Committee’s views regarding suggested internal arrangements for handling allegations of failure to comply with the Members’ Code of Conduct.
18. The Committee’s attention was drawn to the fact that no complaints had been received against Members to date.
19. A complaint handling flowchart was circulated at the meeting..
20. In discussion, Members’ agreed that meetings to consider an individual complaint that had not yet been determined should normally be held in private. The wording in Paragraph 11 and 17.4 of the Arrangements would therefore be amended to be consistent with the wording in Paragraph 14.3.
21. The Monitoring Officer reminded the Committee that the appointment of independent person was a statutory requirement of the Localism Act 2011, with an open recruitment process.
22. Discussion took place and summarised as follows:
- the need for independence and resilience should be emphasised in the independent person recruitment pack;
 - although the requirement for a Monitoring Form included in the draft Complaint Form pack was standard practice for consultation purposes, it was felt that it may deter complainants and should be removed;

Unconfirmed minutes – to be confirmed at the next meeting of the Committee

- for clarification purposes, paragraph 18.1.3.4 of the Arrangements would be amended to reflect that, in the case of a Secretary of State appointed Member (including a parish member) the outcome of the complaint could be reported to the Secretary of State;
 - the Arrangements and flow chart should be reviewed in 12 months
23. The sense of the meeting was that there should be two independent persons recruited with expenses only payable, rather than an allowance.
24. Discussion took place as to whether the Standards Hearings Sub-Committee should decide what sanction, if any, should be imposed, where following a full inquiry into the matter, the Sub-Committee had determined that there had been a failure to comply with the Code of Conduct. It was felt that the Sub-Committee should so determine, rather than the question be referred to full Authority for a decision, as this may result in a rehearing before the full Authority of the detailed issues taken into account by the Sub-Committee. Mark Kemp-Gee requested that it be recorded that he did not support this position.
25. The Committee felt that the question of whether to include in the Code of Conduct additional categories of interest to be disclosed by Members, beyond those required by the Localism Act, should be the subject of further discussion by Members generally, before decision. The Monitoring Officer would provide Authority Members with options for discussion at a future workshop.
26. It was suggested that the Code of Conduct should include provision for the registration of gifts and hospitality of an estimated value of at least £50.
27. **Resolved:** that the Committee:
- 1) subject to minor amendments to Paragraphs 11, 17.4 and 18.1.3.4, agrees and recommends to the Authority for approval and adoption the arrangements for handling allegations of failure to comply with the Members' Code of Conduct set out in Appendix 1 to Report SAC 02/12;
 - 2) agrees that applications for the role of two independent persons be sought via the Authority's website, and approve the use of the recruitment pack set out in Appendix 2 to Report SAC 02/12
 - 3) agrees that a Selection Panel comprising the Chair and two other Members of the Standards and Audit Committee be set up to short-list and interview candidates, and to make recommendations to the Authority for appointments;
 - 4) agrees the payment to the independent persons of expenses incurred in carrying out the role and to make a recommendation to the Authority in this regard; and
 - 5) recommends to the Authority that the Code of Conduct include provision for the registration of gifts and hospitality of an estimated value of at least £50.

INTERNAL AUDIT PROGRESS AND IMPLEMENTATION REPORT

28. The Committee considered a report introduced by the Internal Audit Manager (Report SAC 03/12) that provided an update on the work of Internal Audit and the progress against the Internal Audit Plan (2012/13).
29. The Internal Audit Manager confirmed that the audit of the Grant Funding had been completed since the report was published and had achieved 'reasonable assurance'.
30. The Committee was updated on the unplanned investigation into the theft of petty cash cheques. There was no evidence that Authority staff had been involved, no losses had been incurred by the Authority, and the matter had been referred to the police. The police investigation was now closed, every office had a safe installed and insurance arrangements had been reviewed and revised.
31. **Resolved:** that the Committee:
- 1) notes the progress against the Internal Audit plan and the implementation of recommendations previously made;

Unconfirmed minutes – to be confirmed at the next meeting of the Committee

2011/12 ANNUAL GOVERNANCE REPORT

32. The Committee considered a report by the District Auditor, Audit Commission, (Report SAC 03/12) presenting the Annual Governance Report (AGR) and seeking approval of the Letter of Representation.
33. The Committee welcomed the two unqualified conclusions in the AGR and appreciated the work of the Internal Auditor.
34. **Resolved** : that the Committee considered the Annual Governance Report (AGR) at Appendix 1 to report SAC 04/12 and:
 - 1) notes the adjustments to the financial statements which are set out in Appendix 2 of the AGR
 - 2) approves the Letter of Representation set out in Appendix 3 of the AGR on behalf of the South Downs National Park Authority before the audit opinion and value for money conclusions are given; and
 - 3) agrees the Action Plan included at Appendix 5 of the AGR

ANNUAL GOVERNANCE STATEMENT 2011/12 REVISION

35. The Committee considered a report from the Chief Finance Officer (Report SAC 05/12) presenting the revised Annual Governance Statement.
36. **Resolved**: that the Committee:
 - 1) approves the revised Annual Governance Statement 2011/12 in Appendix 1 to report SAC 05/12

LETTER OF REPRESENTATION AND REVISED STATEMENT OF ACCOUNTS

37. The Committee considered a report from the Chief Finance Officer (Report SAC 06/12) recommending approval of the Letter of Representation and the revised Annual Statement of Accounts 2011/12. The Acting Chief Finance Officer advised the Committee that this report should be taken in tandem with the Annual Governance Report of the External Auditor earlier on the Agenda.
38. An Aide Memoire on the format and content of the Statement of Accounts was provided to Members at the meeting.
39. An update on the funded pension scheme liability would be reported at a future Committee meeting.
40. **Resolved**: that the Committee:
 - 1) notes the findings of the Audit Commission (External Auditor) in their Annual Governance Report (AGR) elsewhere on the Agenda;
 - 2) notes the results of the public inspection on behalf of the Authority (paragraph 6.2 in report SAC 06/12);
 - 3) approves the Letter of Representation on behalf of the Authority (Appendix 1 to report SAC 06/12); and
 - 4) approves the audited Statement of Accounts for 2011/12 (Appendix 4 to report SAC 06/12)

TERMS OF REFERENCE FOR A REVIEW INTO THE SET UP OF THE SOUTH DOWNS NATIONAL PARK AUTHORITY (SDNPA)

41. The Committee considered a report from the Chief Executive Officer (Report SAC 07/12) seeking approval of the Terms of reference for an internal audit review of the set up of the SDNPA. The Committee was reminded that this was an internal review and had not been initiated by the Department for Environment, Food and Rural Affairs (Defra).

Unconfirmed minutes – to be confirmed at the next meeting of the Committee

42. Member's attention was drawn to an error in the timescale on the Terms of Reference. The draft report would be presented to the March 2013 meeting of the Committee and the Committee's conclusions presented to the Authority in April 2013. The review would then be published.
43. **Resolved:** that, subject to the changes in minute 42, the Committee:
- 1) approves the Terms of Reference for an internal review of the SDNPA set up (Appendix I to report SAC07/12)

ITEMS FOR NEXT MEETING

44. The following items were identified for consideration at the next meeting:
- pension liabilities and whether these should be insured against;
 - progress with the Action Plan in the Annual Governance Statement;
 - report on setting-up the Authority.

Chair

The meeting closed at 4.05 pm