

# Crawley Borough Council

## Minutes of General Purposes Committee

2 July 2007 at 7.30pm

### Present:

Councillor R D Burrett (Chair)  
Councillor C R Eade (Vice-Chair)  
Councillors B K Blake, C A Cheshire, D G Crow, R A Lanzer and L A Walker

### Officers Present:

Pat Tinsley Head of Democratic Services  
Mez Matthews Democratic Services Officer

### Apologies for Absence:

Councillors M T Head, J Mortimer and D W Murdoch

#### 1. Minutes

The minutes of the meeting of the Committee held on 19 March 2007 were approved as a correct record and signed by the Chair.

#### 2. Councillor D W Murdoch

Members conveyed their best wishes to Councillor D W Murdoch for a full and speedy recovery following his admittance to hospital.

#### 3. Members' Disclosure of Interests

No disclosures of interest were made.

#### 4. Audit and Governance Sub Committee

### RESOLVED

That the minutes of the meetings of the Audit and Governance Sub Committee held on 24 April 2007 and 9 May 2007 set out in Appendices 1 and 2 to these minutes be received.

## **5. Changes to the Constitution**

The Committee considered the changes to the Constitution. At the request of the Committee the Head of Democratic Services explained how the amendments to Council Procedure Rule 23.10 and Executive Procedure Rule 2.8 differed from the existing position.

The Committee noted that to ensure a quorum was present at meetings of the Staff Appeals Board, three Members of the Board would be called upon to determine an appeal with one Member in reserve.

### **RECOMMENDATION**

That the Council be RECOMMENDED to agree the changes to the Constitution as proposed in Appendix 3 to these minutes.

## **6. Review of Polling Districts and Polling Places**

The Committee considered report DS/75 of the Head of Democratic Services which informed the Committee that the Council was required by the Electoral Administration Act 2006 to complete a review of Polling Districts and Polling Places during 2007 and subsequently at least every 4 years.

The legislation gave clear guidance on how the review must be carried out and stated that when designating polling districts the authority must seek to ensure that all electors in the constituency had reasonable facilities for voting and, as far as reasonable and practicable that the polling places were accessible to all electors. The authority must also have regard to the accessibility needs of disabled people when it considered the designation of a polling place.

All existing polling stations would be inspected by the Council's Access Officer with the Electoral Services Manager to identify any access issues.

The legislation stated that public notice of the review must be given. It was proposed that the deadline for responses to the review would be 7 September, that a scheme would be submitted to the meeting of the Committee to be held on 1 October 2007 together with a report which set out responses to the consultation. The scheme would be considered by Council at its meeting on 31 October 2007 in time for the annual publication of the Electoral Register on 1 December 2007.

Members' attention was drawn to the report appendix which detailed the current polling scheme for Crawley. The Committee considered the report and expressed concern that the Crawley Pupil Referral Unit, Turners Hill Road was not a suitable polling place as it was inaccessible for wheelchair users. Members were informed that the Referral Unit had been cited in the report as it was likely that the alternative venue (the Barnwood Hotel) would be under development at the time of the next election. Members requested their preference that the Barnwood Hotel be used for the next election should it still be available.

Members were informed that St Mary's Church Hall, Wakehurst Drive would be the permanent polling place for the LM polling district in Southgate Ward.

**RESOLVED**

That a review of polling districts and polling places be carried out as set out in paragraph 4 of the report.

**7. Closure of Meeting**

With the business of the Committee concluded, the Chair declared the meeting closed at 7.46pm.

R D BURRETT  
**Chair**

# Crawley Borough Council

## Minutes of Audit and Governance Sub-Committee

24 April 2007 at 6.00 p.m.

**Present:**

Councillor L A Walker (Chair)

Councillors R D Burrett, C A Cheshire, M Head and D J Shreeves

**Officers Present:**

J Burke	(Head of Finance)
K Hayes	(Deputy Head of Finance)
J Hills	(Interim Audit Manager)
J Green	(Principal Democratic Services Officer)
P Tinsley	(Head of Democratic Services)
P Windust	(Technical Project Manager)

**35. Introduction**

The Chair introduced Mr John Burke, the new Head of Finance, to the Sub Committee.

**36. Minutes**

The minutes of the meeting of the Sub-Committee held on 15 January 2007 were approved as a correct record and signed by the Chair.

**37. Members' Disclosure of Interests**

No disclosures of interests were made.

**38. Corporate Governance – Self Assessment Update Report**

At its meeting on 25 September 2006, the Sub Committee had before it Phase 1 of the Internal Audit Review of Corporate Governance Arrangements. The Review consisted of a high level self assessment exercise from which areas for more detailed audit review during 2006/07 had been identified

The Sub-Committee now considered report DS/72 of the Head of Democratic Services which provided an update of the position as of April 2007.

*In connection with Community Focus Item 1 (mechanisms to seek and collate the views of the community at large), the Head of Democratic Services agreed to report back to the Sub Committee on what action the Council was taking to engage non-religious BME groups.*

*The Sub Committee went on to discuss the items which had scored a 2, indicating that the activity exhibited only some of the necessary attributes.*

*With regard to Community Focus Item 10 (a governance framework for working with partners), the Sub Committee noted that a new Constitution had been adopted for the LSP and that a new Community Strategy was pending. Therefore, progress was being made in this area.*

*In connection with Structures and Processes Item 3 (testing arrangements), the Head of Democratic Services reported that a copy of the CIPFA/SOLACE guidelines and checklist had now been obtained which would enable the necessary testing arrangements to be put in place.*

*With regard to Structures and Processes Item 9 (independent review of corporate and service level performance management framework), it was noted that a report would be submitted to the Executive in the near future relating to this issue.*

*It was also reported that the Legal Services Improvement Plan would include arrangements to monitor the impact of new legislation as required by Item 9 (Leadership, Culture and Standards of Conduct).*

## **RESOLVED**

*That report DS/72 of the Head of Democratic Services be noted.*

### **39. Revised 2005/06 Statement of Accounts**

*The Sub-Committee considered report FIN/112 of the Head of Finance on the Revised 2005/06 Statement of Accounts.*

*The original accounts for 2005/06 had been approved by the Sub Committee at its meeting on 29 June 2006. However, the Audit Commission's Annual Audit and Governance Statement had identified fundamental problems with these accounts and the Audit Commission had subsequently issued a Section 11 notice requiring the Council to produce revised financial statements by 30 November 2006 and revised procedure notes by 31 December 2006.*

*The Sub Committee had received a report on 25 September 2006 on the background to this issue, including a number of complex staffing matters and had been advised that Price Waterhouse Coopers had been appointed to prepare a revised set of accounts and to work with officers to update existing procedures.*

*A revised set of financial statements had been presented to the Sub Committee on 4 December 2006 and the Audit Commission had commenced a re-audit of the financial statements in January 2007.*

*A further set of financial statements had now been produced to correct material errors identified by the Audit Commission. It was noted that the changes to the financial statements did not impact on the Council's overall financial performance or the level of available reserves. The majority of changes related to the valuation and classification of fixed assets, the calculation of depreciation and the re-classification of creditors, further details of which were set out in paragraph 4 of report FIN/112.*

*The Head of Finance drew attention to a correction to paragraph 15 on page 39 of the Statement of Accounts, where the date in the first line had been amended to '24 April 2007'.*

*In response to a question from the Sub Committee relating to paragraph 4.2 of the report, the Head of Finance confirmed that shared ownership dwellings had previously been classified as Other Land and Buildings at their full market value in the Consolidated Balance Sheet. However, these assets should have been classified as Council Dwellings at their social housing value. The net effect of these changes was to increase the value of Council Dwellings by £21.8 million with a greater reduction in the value of Other Land and Buildings.*

*At the request of the Sub Committee, the Head of Finance agreed to provide a breakdown of the balance of £0.7 million relating to amenity space commutation sums which had been received from developers. This information would be presented to the Sub Committee at its meeting on 26 June 2007.*

*It was confirmed that the Finance posts held vacant to meet the cost of producing revised accounts had now been filled.*

## **RESOLVED**

*That the revised Statement of Accounts for the financial year 2005/06 as set out in the Appendix to report FIN/112 of the Head of Finance be approved, and be signed by the Chair.*

### **40. Internal Audit Progress Report**

*The Sub-Committee considered report FIN/109 of the Deputy Head of Finance updating the Sub Committee on progress towards the delivery of the 2006 -07 Internal Audit Plan as at 15 March 2007. The report also dealt with the progress made in implementing previous recommendations with regard to the data matching of Council Tax and Electoral Registration Records in respect of single person discounts, Licensing, the Control of Keys relating to Sheltered Housing and other ad hoc work.*

*In presenting the report, the Interim Audit Manger updated the Sub Committee as to further progress made to date towards the delivery of the Plan and a revised version of Appendix 2 to report FIN/109 incorporating these updates is set out in the Appendix to these minutes.*

*With regard to the information contained within Appendix 3 to the report, the Sub Committee was advised that the reconciliation of the Council Tax System to the General Ledger, and the reconciliation of the NNDR system to the General Ledger had been brought up to date with effect from the end of March 2007. The Bad Debt review now formed part of the work relating to sundry debtors.*

*With regard to the audit of sundry debtors, it was confirmed that, whilst problems relating to the availability of the system on line had delayed the review, officers had been moved across to another audit and no loss of audit days had occurred.*

*On the issue of the data matching of Council Tax and Electoral Registration Records in respect of single person discounts, the Sub Committee was informed that, at this stage, no decision had been taken to investigate whether the claims for discount had been fraudulent in cases where more than one adult was residing at an address. However, where this was obviously the case, the matter would be pursued.*

*The Sub Committee discussed whether the Whistle Blowing Procedure should provide for members of staff to raise matters of concern with elected members. However, the Sub Committee concluded that, as the procedure already provided for a confidential reporting facility through an external agency, no amendment to the existing procedure should be proposed.*

*The Sub Committee received an update with regard to the work being undertaken by Internal Audit and Community Services in connection with the operations of The Happy Hut.*

## **RESOLVED**

*That report FIN/109 of the Deputy Head of Finance be received and that progress to date be noted.*

### **41. Internal Audit Planning for 2007/08**

*The Sub-Committee considered report FIN/110 of the Deputy Head of Finance on the Internal Audit Plan for 2007/08 which had been prepared in accordance with the alternative approach agreed by the Audit and Governance Sub Committee at its meeting on 15 January 2007.*

*In making a decision on the proposed Plan, the Sub Committee was asked to consider whether it reflected accurately the audit needs of the Council. The Sub Committee was also requested to take a view on whether there were audits that should have been included but had been omitted or whether there were topics that did not require internal audit coverage.*

*The report also addressed the resources required to deliver the proposed Plan which, including the Audit Manager's input and the Audit Commission's year end testing, amounted to 914 days. The existing internal audit budget provided for a total resource of 443 days and therefore virements would be sought from departmental budgets to meet the cost of delivering the Plan. The additional days required to ensure that there were robust systems in place as a result of the retention of the Housing Stock, especially relating to repairs, would be charged to the HRA Reserve Account as this represented a one off increase in the number of audit days required.*

*It was confirmed that the Strategic and Business Plan audit referred to in report FIN/109 (Minute 40 refers) which had been deferred to 2007/08 would now form part of the Corporate Planning Audit.*

*The Sub Committee highlighted the importance of project management to the authority and was pleased to note that the management of the Town Centre North,*

*and the Bewbush and Langley Green regeneration projects was to be audited during 2007/08.*

**RESOLVED**

*That the Internal Audit Plan for 2007/08, as outlined in Appendix A to report FIN/110 of the Deputy Head of Finance, be approved*

**42. Exclusion of the Public**

**RESOLVED**

*That in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.*

**43. Follow up of Recommendations arising from the Internal Audit Report – Sheltered Housing**

**(Exempt Paragraph 7 – Prevention of Crime)**

*The Sub-Committee considered report FIN/111 of the Deputy Head of Finance following up the recommendations arising from the Internal Audit Report on Sheltered Housing.*

**RESOLVED**

*That report FIN/111 of the Deputy Head of Finance be noted.*

**44. Closure of Meeting**

*With the business of the Sub-Committee concluded, the Chair declared the meeting closed at 7.00 pm.*

**L A WALKER**  
**Chair**



**APPENDIX**

**Internal Audit Plan 2006/07**

**Progress Report as at 24<sup>th</sup> April 2007**

<b>Audit Area</b>	<b>Budget/ days</b>	<b>Provisional Timing</b>	<b>Fieldwork Commenced</b>	<b>Draft Report Issued</b>	<b>Management Responses Received</b>	<b>Final report Issued</b>	<b>Findings reported to Audit &amp; Governance</b>	<b>Comments</b>
<i>Support to Voluntary Organisations</i>	<b>10</b>	<i>Quarter 1/2</i>	<i>June 06</i>	<i>19/09/06</i>	<i>7/12/06</i>	<i>13/12/06</i>	<i>15/01/07</i>	
<i>The Hawth Box Office</i>	<b>10</b>	<i>Quarter 1/2</i>	<i>April 06</i>	<i>Not applicable</i>		<i>31/08/06</i>	<i>25/09/06</i>	<i>No recommendations made.</i>
<i>Tilgate Park</i>	<b>10</b>	<i>Quarter 1/2</i>	<i>April 06</i>	<i>01/08/06</i>		<i>22/08/06</i>	<i>25/09/06</i>	
<i>Environmental Health</i>	<b>3</b>	<i>Carried forward from 05/06</i>	<i>January 06</i>	<i>22/06/06</i>	<i>18/08/06</i>	<i>29/08/06</i>	<i>25/09/06</i>	<i>No high level recommendations</i>
<i>Service Charges &amp; Loans</i>	<b>12</b>	<i>Quarter 1/2</i>	<i>June 06</i>	<i>2/03/07</i>	<i>12/03/07</i>	<i>13/03/07</i>	<i>3/04/07</i>	<i>Completion delayed due to systems problems.</i>
<i>Housing Lettings &amp; Allocations</i>	<b>3</b>	<i>Carried forward from 05/06</i>	<i>February 06</i>	<i>Not applicable</i>		<i>26/02/06</i>	<i>25/09/06</i>	<i>No recommendations made.</i>

General Purposes Committee (10)  
2 July 2007

<b>Audit Area</b>	<b>Budget/ days</b>	<b>Provisional Timing</b>	<b>Fieldwork Commenced</b>	<b>Draft Report Issued</b>	<b>Management Responses Received</b>	<b>Final report Issued</b>	<b>Findings reported to Audit &amp; Governance</b>	<b>Comments</b>
<i>Land Charges</i>	<b>10</b>	<i>Quarter 1/2</i>	<i>July 06</i>	<i>Not applicable</i>		<i>22/08/06</i>	<i>25/09/06</i>	<i>No recommendations made.</i>
<i>Network Security</i>	<b>20</b>	<i>Carried forward from 05/06</i>	<i>May 06</i>	<i>20/09/06</i>	<i>04/12/07</i>	<i>12/12/06</i>	<i>15/01/06</i>	
<i>Licences</i>	<b>20</b>	<i>Quarter 1/2</i>	<i>May 06</i>	<i>07/09/06</i>	<i>21/10/06</i>	<i>20/11/06</i>	<i>15/01/06</i>	
<i>Corporate Governance</i>	<b>10</b>	<i>Carried forward from 05/06</i>	<i>January 06</i>	<i>Not applicable, self-assessment exercise</i>		<i>07/09/06</i>	<i>25/09/06</i>	
<i>Risk Management &amp; Business Continuity Planning Overview/ Emergency Planning</i>	<b>20</b>	<i>March 2007</i>	<i>20/03/07</i>					
<i>Payroll</i>	<b>10</b>	<i>September 06</i>	<i>November 06</i>					<i>Draft report being reviewed prior to issue.</i>
<i>Human Resources</i>	<b>10</b>	<i>September 06</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>Deferred in light of internal review of procedures. Combined with Payroll review.</i>
<i>Play Services &amp; Sunrise Nursery</i>	<b>3</b>	<i>August 06</i>	<i>August 06</i>	<i>Not applicable</i>		<i>15/08/06</i>	<i>25/09/06</i>	<i>No recommendations made.</i>

General Purposes Committee (11)  
2 July 2007

<b>Audit Area</b>	<b>Budget/ days</b>	<b>Provisional Timing</b>	<b>Fieldwork Commenced</b>	<b>Draft Report Issued</b>	<b>Management Responses Received</b>	<b>Final report Issued</b>	<b>Findings reported to Audit &amp; Governance</b>	<b>Comments</b>
<i>Housing Repairs</i>	<b>10</b>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>Deferred until 07/08 in light of Audit Commission review and Inspection.</i>
<i>Homelessness</i>	<b>10</b>	<i>September 06</i>	<i>September 06</i>	<i>Not Applicable.</i>		<i>31/10/06</i>	<i>15/01/06</i>	<i>No recommendations made.</i>
<i>Improvement Grants/DFG</i>	<b>10</b>							<i>Carried forward to 2007/08</i>
<i>Contact Centre</i>	<b>5</b>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>Deferred until after consultants review has been completed.</i>
<i>Creditors</i>	<b>10</b>	<i>February 07</i>	<i>19/02/07</i>	<i>30/03/07</i>				<i>Awaiting Management Comments.</i>
<i>Compliance with Taxation (VAT, CITD)</i>	<b>12</b>	<i>January 07</i>	<i>22/01/07</i>	<i>20/03/07</i>				<i>Awaiting Management Comments.</i>
<i>Grant Claims &amp; Re-imbursments</i>	<b>10</b>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>Deferred following discussion with the Interim Head of Finance.</i>
<i>Finance Ledger &amp; Reconciliations</i>	<b>10</b>	<i>February 07</i>	<i>08/02/07</i>	<i>23/03/07</i>				<i>Awaiting Management Comments.</i>
<i>Budgetary Control &amp; Procurement</i>	<b>30</b>	<i>March 07</i>	<i>01/03/07</i>					<i>Draft report for the Budgetary Control element being reviewed prior to issue.</i>

General Purposes Committee (12)  
2 July 2007

<b>Audit Area</b>	<b>Budget/ days</b>	<b>Provisional Timing</b>	<b>Fieldwork Commenced</b>	<b>Draft Report Issued</b>	<b>Management Responses Received</b>	<b>Final report Issued</b>	<b>Findings reported to Audit &amp; Governance</b>	<b>Comments</b>
<i>Sundry Debtors</i>	<b>10</b>	<i>September 06</i>	<i>September 06</i>	<i>04/04/07</i>	<i>10/04/07</i>	<i>12/04/07</i>		<i>Completion due to software problems. delayed</i>
<i>Council Tax</i>	<b>20</b>	<i>September 06</i>	<i>11/09/06</i>	<i>25/10/06</i>	<i>25/10/06</i>	<i>20/11/06</i>	<i>15/01/06</i>	
<i>Housing &amp; Council Tax Benefit</i>	<b>20</b>	<i>June 06</i>	<i>05/06/06</i>	<i>07/09/06</i>	<i>07/09/06</i>	<i>07/09/06</i>	<i>25/09/06</i>	
<i>NNDR – Business Rates</i>	<b>15</b>	<i>September 06</i>	<i>11/09/06</i>	<i>25/10/06</i>	<i>25/10/06</i>	<i>20/11/06</i>	<i>15/01/06</i>	
<i>Cashier Services</i>	<b>10</b>	<i>February 07</i>	<i>20/02/07</i>					<i>Fieldwork ongoing.</i>
<i>Follow Ups &amp; Enhancement on Computer Audits General Provision.  iworld – Benefits, Council Tax and NNDR</i>	<b>20</b>	<i>February 07</i>	<i>08/01/07</i>	<i>07/03/07</i>				<i>Awaiting Management Response.</i>
<i>Gas Servicing</i>	<b>8</b>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>Deferred to 07/08 following discussions with the Interim Head of Crawley Homes and in light of the Audit Commission inspection.</i>

<b>Audit Area</b>	<b>Budget/ days</b>	<b>Provisional Timing</b>	<b>Fieldwork Commenced</b>	<b>Draft Report Issued</b>	<b>Management Responses Received</b>	<b>Final report Issued</b>	<b>Findings reported to Audit &amp; Governance</b>	<b>Comments</b>
<i>Asbestos Removal</i>	<b>5</b>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>Deferred to 07/08 following discussions with the Interim Head of Crawley Homes and in light of the Audit Commission inspection.</i>
<i>Members Allowances</i>	<b>5</b>	<i>November 06</i>	<i>November 06</i>	<i>Not Applicable</i>		<i>22/11/06</i>	<i>15/0/06</i>	<i>No recommendations made.</i>
<i>Data Protection</i>	<b>5</b>	<i>April 2007</i>	<i>24/04/07</i>					
<i>Strategic &amp; Business Planning</i>	<b>10</b>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>Deferred to 07/08 following discussions with the Interim Head of Finance</i>
<i>Project Management</i>	<b>15</b>	<i>January 07</i>						<i>In discussion with Management this has now been combined with the 06/07 Corporate Governance budget, to facilitate a review of Data Quality in relation to BPVI's in advance of the Audit Commission review early in 2007/08.</i>

<b>Audit Area</b>	<b>Budget/ days</b>	<b>Provisional Timing</b>	<b>Fieldwork Commenced</b>	<b>Draft Report Issued</b>	<b>Management Responses Received</b>	<b>Final report Issued</b>	<b>Findings reported to Audit &amp; Governance</b>	<b>Comments</b>
<i>Capital Expenditure</i>	<b>8</b>	<i>March 07</i>	<i>12/03/07</i>					<i>Draft report being reviewed prior to issue.</i>
<i>Outsourced Contract Management Arrangements</i>	<b>15</b>	<i>April 2007</i>						

## *Crawley Borough Council*

### **Minutes of Audit and Governance Sub-Committee**

**9 May 2007 at 7.30 p.m.**

**Present:**

Councillor L A Walker (Chair)

Councillors R D Burrett, C A Cheshire, M T Head and D J Shreeves

**Also in Attendance:**

Councillors: B K Blake, S A Blake, N Boxall, B J Burgess, R G Burgess,  
A C W Crane, D G Crow, C L Denman, J I Denman, C R Eade,  
R A Lanzer, B MeCrow, D W Murdoch and G K Seekings

Messers S Mathers, D Rogers and N Ward from the Audit Commission

**Officers Present:**

D Covill	(Director of Resources)
J Burke	(Head of Finance)
K Hayes	(Deputy Head of Finance)
J Hills	(Interim Audit Manager)
M Shopland	(Democratic Services Officer)
P Tinsley	(Head of Democratic Services)
P Windust	(Technical Project Manager)

**45. Minutes**

*The minutes of the meeting of the Sub-Committee held on 24 April 2007 were approved as a correct record and signed by the Chair.*

**46. Members' Disclosure of Interests**

*No disclosures of interests were made.*

**47. Annual Audit and Inspection Letter and Updated Annual Governance Report**

*The Sub-Committee welcomed to the meeting Mr Nick Ward, Mr Damian Rogers and Mr Simon Mathers from the Audit Commission.*

*Mr Ward presented the Annual Audit and Inspection Letter and the Updated Annual Governance Report for 2005/06 to the Sub Committee. He advised the Sub Committee that the Audit Commission is bound by international auditing standards to report its Annual Audit and Inspection Letter to the Council each year. The Annual Audit and Inspection Letter provides an overall summary of the Audit Commission's assessment of Crawley Borough Council for the financial year 2005/06. The Updated Annual Governance Report is an updated version of the report issued in September 2006 which had reported that Mr Ward had been unable to offer his audit opinion on the 2005/06 financial statements as the Council had failed to produce adequate supporting records to support material components of the financial statements.*

*Mr Ward reminded the Sub Committee that a Section 11 recommendation had been issued indicating that the Council must prepare a revised set of financial statements by 30<sup>th</sup> November 2006 and produce closedown procedures to assist the preparation of future financial statements by 31<sup>st</sup> December 2006. The Executive formally adopted the Section 11 recommendation on 8<sup>th</sup> November 2006. A revised set of accounts were presented on 4<sup>th</sup> December 2006 following input from external consultants. The following were identified as reasons for the lateness; major changes in the senior finance team, a failure to manage risks arising from this and a weakness in the quality of data.*

*It was noted that the closedown process for 2006/07 had been better controlled. Whilst staff shortages had affected the preparation of the accounts to some extent, 'an easier ride' was expected for this year.*

*Members queried the difference between a qualified and unqualified opinion. Mr Ward stated that where accounts were over a certain threshold the auditor had to express an opinion on whether the financial transactions fairly presented the true picture of the audited organisation's financial affairs. Where errors above the pre set limit were identified, the accounts had to be qualified and a reason for the errors provided.*

*The Director of Resources thanked the Audit Commission for their assistance. He briefly outlined why the Audit Commission had been voluntarily invited in, in early 2005 and why changes to the finance division management structure were considered vital. He expressed disappointment that despite the hard work of all those involved, errors had again been found after external consultants had been employed. He agreed that more could have been done to avoid potential problems following the loss of key senior finance staff.*

*He went on to praise the new senior financial management team and drew the Sub Committee's attention to the fact that the team had successfully closed the 2005/06 accounts and completed the 2007/08 budget, tasks which ordinarily were completed on separate occasions.*

*The Director of Resources emphasised that the audit had also raised many positive aspects. These included meeting LSP priorities, improvements in service areas and delivering on projects.*

*Members commented that weakness of data quality was a recurring theme throughout the Annual Audit Inspection Letter. They questioned what position the Council was in now that Covalent was in place. Mr Mathers stated that in summer 2006 the Audit Commission had tested a number of performance indicators, which had revealed a weakness in the overall arrangements. A bespoke report on*



*the matter had been agreed and adopted by the Council. Further testing was due to take place in summer 2007 and it was hoped that improvements would be made. The Sub Committee were notified that the Interim Audit Manager was undertaking routine testing of performance indicators. The Director of Resources added that different officers were responsible for monitoring performance indicators following the disbandment of ODI.*

*Members were concerned that in some places the statistics masked where successes had been achieved. Mr Ward emphasised the figures referred to 2005/06 and improvements could have since been made.*

*Serious concerns were expressed regarding the fact that the Council had exceeded its own temporary borrowing limits in both 2005/06 (£2.3m) and 2006/07 (£2.8m). It was asked why it was that Members had not been informed of this and issues relating to it at a much earlier date. The Director of Resources indicated that the Audit Commission had only identified this during their inspection of the revised accounts earlier this year and this was therefore not in the previous letter. He explained that the Council had a high level of reserves and had therefore set the limit at which it could borrow at a low level. The borrowing should not have been entered into without prior approval but did not contravene the Local Authority Prudential Borrowing Code. He believed that the officers concerned had entered into the borrowing in order to reduce the amount of subsidy the Council had to pay to the Government. Members questioned the likelihood of the government clawing back housing subsidy should it be considered that the borrowing had been entered into with the sole intention of maximising the amount of housing subsidy payable to the Council. The Director of Resources stated that an appropriate sum has been set aside in the Council's accounts in the event that repayment of the housing subsidy is required.*

*It was asked why the Council was in the top 25% of councils nationally for the volume of household waste collected (kg/head) and the percentage of households served by a kerbside collection of recyclables but in the worst 25% of councils for recycling waste as a percentage of the target set by DEFRA. The Sub Committee were informed that whilst Crawley residents produced less waste in volume the amount recycled had been below target. It was noted that these figures related to 2005/06 and improvements may have been made since.*

*The Head of Finance reassured Members that a detailed and robust single corporate asset register was being created to enable the Council to manage its asset base more effectively. He emphasised that whilst there were currently some teething problems with the system he was confident that they would soon be ironed out. Members asked that the Head of Finance to report back to the Sub Committee once the robustness of the system had been fully tested.*

*The following clerical errors were identified in the Updated Annual Governance Report; where it reads Bewbush Leisure Centre (p18, paragraph 53) it should read Crawley Leisure Centre and where it reads compliant (p21, paragraph 66) it should read complaint.*

*Several Members queried whether an accurate figure could be given for the level of investment in the Council's housing stock required to meet the Decent Homes Standard. The Sub Committee were reminded that the cross party Housing Maintenance Advisory Group would look afresh at the information provided by Savills. In turn, the Housing Maintenance Advisory Group would report back to*

*the Council. Members questioned whether they should be informed through an information item.*

*Mr Ward informed Members that following the receipt of their own Annual Audit and Inspection Letters, other Councils had devised action plans to act as a checks and balance system. It was noted that the Council has produced an internal action plan to deal with issues arising from the 2005/06 audit of accounts, in addition to the closedown processes for 2006/07. Members were interested to see how effective this would prove.*

**RESOLVED**

- (i) That the Annual Audit and Inspection Letter be noted.*
- (ii) That the Updated Annual Governance Report be noted.*
- (iii) That the Chair sign the Letter of Representation as set out in Appendix 4 of the Updated Annual Governance report subject to the following amendment; that the Regularity and Audit Committee should read the Audit and Governance Sub Committee.*

**48. Closure of Meeting**

*With the business of the Sub-Committee concluded, the Chair declared the meeting closed at 8.25 pm.*

L A WALKER  
**Chair**

**APPENDIX 3**

**AMENDMENTS TO THE CONSTITUTION**

Function	Proposed amendment	Reason for amendment
Local Choice Function 1(a) – Page 51	<p>Replace the introductory wording in the Membership column (relating to the Staff Appeals Board) to read as follows:-</p> <p>‘Three members from the following panel:- ‘</p>	<p>To reflect the arrangements proposed by the Executive at its meeting on 13 June 2007.</p>
Functions of the Licensing Committee – Page 99	<p>Add the following function:-</p> <p><u>‘The following function is delegated through the Licensing Committee to the Head of Environmental Services:-</u></p> <p>Power to designate an officer of a licensing authority as an authorised person for a purpose relating to premises under Section 304 of the Gambling Act 2005.’</p>	<p>To reflect the requirements of the Local Authorities (Functions and Responsibilities) (England) (Amendment) Regulations 2007.</p>
Functions of the Licensing Committee – Page 99	<p>Add the following:-</p> <p><u>‘The following function is delegated through the Licensing Committee to the Head of Legal Services jointly with the Head of Environmental Services:-</u></p> <p>Power to institute criminal proceedings for offences under Section 342 of the Gambling Act 2005.’</p>	<p>To reflect the requirements of the Local Authorities (Functions and Responsibilities) (England) (Amendment) Regulations 2007.</p>

Function	Proposed amendment	Reason for amendment
Functions of the Licensing Committee – Page 99	<p>Add the following:-</p> <p><u>'The following function is delegated through the Licensing Committee to the Head of Environmental Services:-</u></p> <p>Power to exchange information under Section 350 of the Gambling Act 2005.'</p>	<p>To reflect the requirements of the Local Authorities (Functions and Responsibilities) (England) (Amendment) Regulations 2007.</p>
Functions of the Licensing Committee – Page 99	<p>Add the following:-</p> <p><u>'The following function is delegated through the Licensing Committee to the Head of Environmental Services:-</u></p> <p>Power to enforce offences relating to the display of no-smoking signs under Section 6(5) of the Health Act 2006'.</p>	<p>To reflect the requirements of the Local Authorities (Functions and Responsibilities) (England) (Amendment) (No. 2) Regulations 2007</p>
Functions of the Licensing Committee – Page 99	<p>Add the following:-</p> <p><u>'The following function is delegated through the Licensing Committee to the Head of Environmental Services:-</u></p> <p>Power to enforce offences relating to smoking in smoke-free places under Section 7(4) of the Health Act 2006.'</p>	<p>To reflect the requirements of the Local Authorities (Functions and Responsibilities) (England) (Amendment) (No.2) Regulations 2007</p>

Function	Proposed amendment	Reason for amendment
Functions of the Licensing Committee – Page 99	<p>Add the following:-</p> <p><u>'The following function is delegated through the Licensing Committee to the Head of Environmental Services:-</u></p> <p>Power to enforce the offence of failing to prevent smoking in smoke-free places under Section 8(4) of the Health Act 2006'.</p>	To reflect the requirements of the Local Authorities (Functions and Responsibilities) (England) (Amendment) (No. 2) Regulations 2007
Functions of the Licensing Committee – Page 99	<p>The following function is delegated to the Licensing Committee:-</p> <p>Power to transfer enforcement functions to another enforcement authority under the Smoke-free (Premises and Enforcement) Regulations 2006.</p>	To reflect the requirements of the Local Authorities (Functions and Responsibilities) (England) (Amendment) (No. 2) Regulations 2007
Functions of the Licensing Committee – Page 99	<p>Add the following:-</p> <p><u>'The following function is delegated through the Licensing Committee to the Head of Environmental Services:-</u></p> <p>To appoint authorised officers for the purposes of the :-</p> <p>Smoke-free General Provisions Regulations 2007</p>	To facilitate enforcement of the smoke-free legislation

Function	Proposed amendment	Reason for amendment
	<p>Smoke-free (Exemptions and Vehicles) Regulations 2007</p> <p>Smoke-free (Penalties and Discounted Amounts) Regulations 2007.'</p>	
<p>Functions of the Staff Appeals Board – Page 114</p>	<p>Replace the introduction to the paragraph relating to Membership with the following wording:-</p> <p>'Membership – The Board will consist of the following members from whom three members will be called upon to determine an appeal. The quorum of the Board will, therefore, be three. The Board will be supported by a Senior Human Resources Representative in an advisory role only'</p>	<p>To reflect the arrangements proposed by the Executive at its meeting on 13 June 2007.</p>
<p>Council Procedure Rule 8 – Page 186</p>	<p>Add the following sentence to Rule 8 (Quorum):-</p> <p>'The quorum for the Staff Appeals Board will be three.'</p>	<p>To reflect the arrangements proposed by the Executive at its meeting on 13 June 2007.</p>

Function	Proposed amendment	Reason for amendment
Council Procedure Rule 23.10 – Page 203	<p>Substitute the following wording for Rule 23.10:-</p> <p>‘No petition relating to a matter within the scope of one of the committees of the Council is to be submitted, in the first instance, to the Council unless in the opinion of the chair of the relevant committee or the Head of Democratic Services it is urgent or necessary. Communications, even though addressed to the Council, will be laid before the Chief Executive and the chair of the relevant committee in such cases.</p> <p>The Chief Executive, following consultation with the committee chair and the appropriate Head of Service, will then determine:- (a) whether to refer the petition for consideration at a future meeting of the relevant committee; or</p>	<p>To enable petitions to be dealt with expeditiously and efficiently. Further consideration will need to be given to this Rule as part of the annual review of the Constitution in March, by which time guidance is expected to be available on proposals contained in the Local Government Bill for the introduction of the Community Call for Action.</p>
	<p>(b) that the matter be dealt with by some alternative means. In these circumstances, the petition will be the subject of an item on the Members’ Information Bulletin.’</p>	

Function	Proposed amendment	Reason for amendment
Executive Procedure Rules – Page 236	<p>Add the following text to the Executive Procedure Rules:-</p> <p><b>‘CONDUCT OF COUNCIL MEMBERS</b></p> <p>(i) Only one member shall speak at a time</p> <p>A Member when speaking shall address the Chair. If two or more Members indicate a wish to speak, the Chair shall call upon one to speak and the other or others shall wait to be called. Only one member shall speak at a time.</p> <p>(ii) Member not to be heard further</p> <p>If a Member persistently disregards the ruling of the Chair by behaving improperly or offensively or deliberately obstructs business, the Chair or another Member may move that the Member be not heard further. If seconded, the motion will be voted on without discussion.</p>	To mirror the Rules contained in the Council Procedure Rules relating to Council and Committee meetings (but which do not apply to the Executive)
	<p>(iii) Member to leave the meeting</p> <p>If the Member continues to behave improperly after such a motion is carried, the Chair may move that either the Member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will</p>	



Function	Proposed amendment	Reason for amendment
	<p>be voted on without discussion.</p> <p>(iv) General Disturbance</p> <p>If there is a general disturbance making orderly business impossible, the Chair may adjourn the meeting for as long as he/she thinks necessary.</p> <p><b>DISTURBANCE BY THE PUBLIC</b></p> <p>(i) Removal of a Member of the public</p> <p>If a Member of the public interrupts proceedings, the Chair may warn the person concerned. If they continue to interrupt, the Chair will order their removal from the meeting room.</p> <p>(ii) Clearance of part of meeting room</p> <p>If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared.'</p>	

Function	Proposed amendment	Reason for amendment
Executive Procedure Rule 2.8 – Page 241	<p>Substitute Rule 2.8 with the following:-</p> <p>'No petition relating to a matter within the scope of the Executive is to be submitted to the Council. Communications, even though addressed to the Council, will be laid by the Chief Executive before the appropriate Portfolio Holder in such cases.</p> <p>The Portfolio Holder, following consultation with the appropriate Head of Service, will then determine:-</p> <p>(a) whether to refer the petition for consideration at a future meeting of the Executive; or</p> <p>(b) that the matter be dealt with by some alternative means. In these circumstances, the petition will be the subject of an item on the Members' Information Bulletin.</p> <p>Where urgent action is necessary, the provisions of Executive Procedure Rule 1.4 will apply.'</p>	<p>To enable petitions to be dealt with expeditiously and efficiently. Further consideration will need to be given to this Rule as part of the annual review of the Constitution in March, by which time guidance is expected to be available on proposals contained in the Local Government Bill for the introduction of the Community Call for Action.</p>
Financial Procedure Rules – Page 267	Amend Rule 4.2 (f) to provide for the retention of VAT records for 6 years.	To meet document retention requirements