

Meeting	Audit & Governance Committee
Date	7 December 2016
Present	Councillors N Barnes (Chair), Cuthbertson, Fenton, Flinders, Kramm, Lisle and Brooks (Substitute for Councillor Dew) and Mr Mendus
Apologies	Councillor Dew and Mr Bateman

Part B - Matters Referred to Council

39. Appointment of External Auditors

Members considered a report which presented the changes to the arrangements for appointing external auditors following the end of the current transitional arrangements on completion of the 2017/18 audit and which set out the options available to the council for future appointment.

Members considered the following options:

- Option 1: To make a stand-alone appointment
- Option 2: Set up a Joint Auditor Panel/local procurement arrangements
- Option 3: Opt-in to a sector led body

The advantages and disadvantages of the options, as detailed in the report, were noted.

Members noted that, whilst the council had until December 2017 to appoint its external auditors, Public Sector Audit Appointments Ltd (PSAA) had formally invited the council to opt into the national sector led body. Details relating to this invitation had been provided in Appendices 1 and 2 of the report. If the council wished to take advantage of this national scheme for appointing external auditors, then it needed to take the decision to enable it to accept the invitation by early March 2017. The Local Audit (Appointing Person) Regulations 2015 required that a decision to opt-in must be made by a meeting of the Full Council. The Council was then required to formally respond to PSAA's invitation in the form specified by PSAA.

At the request of Members, officers confirmed that, at the end of the audit period, a value for money assessment would be carried out.

Clarification was sought as to the economies of scale that could be achieved were the Council to opt into the sector led body approach. Members were informed that this would be dependent on the number of local authorities that joined the scheme. Information on the PSAA website indicated that around fifty authorities had already opted into the scheme, and it was anticipated that more would do so before the deadline.

Recommended: That Council opt-in to the approved sector led body, Public Sector Audit Appointments Ltd (PSAA), to act as the appointing person for the appointment of external auditors for the council for five years commencing 1 April 2018.

Reason: To enable the council to take advantage of the national scheme for appointing external auditors.

40. Local Code of Corporate Governance

Members considered a report that reviewed the Code of Corporate Governance following the updated framework and guidance notes issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

Members noted that the council's current Code of Corporate Governance was included within the Constitution. Following the new framework and guidance issued by CIPFA/SOLACE, it was considered that the Code would be more appropriate as a separate policy outside of the Constitution but it would be published on the council's website with links to the related policies. Officers stated that it was intended that, by separating the Code from the Constitution, it would have more prominence.

Officers were asked to check whether the use of the word "ensure" was appropriate within the document because of its legal definition.¹ Members commented on the need for equalities issues to be appropriately reflected within the Code.

Members noted that the Governance, Risk and Assurance Group, which was an officer group, would monitor the implementation of the Code and report back to the committee through the Annual Governance Statement. Members suggested that it would be helpful for an additional column to be included in the table on Annex A to detail how the implementation of the Code would be monitored and controlled. Officers confirmed that they had working documents in place to support this process. The committee would be made aware of its implementation through the Annual Governance Statement and through the items which were included in its workplan.

Members expressed their support for the Code and agreed that they would wish any changes to the document to be brought to the committee for consideration.

- Recommended:
- (i) That the current Code of Corporate Governance be removed from the Constitution.
 - (ii) That the revised Local Code of Corporate Governance, as attached, be adopted.
 - (iii) That any future changes to the Code of Corporate Governance be presented to the committee for consideration.

Reason: To ensure appropriate governance arrangements are in place.

Action Required

1. Confirm that there are no legal implications in the AD wording used

Councillor N Barnes, Chair

[The meeting started at 5.30 pm and finished at 7.20 pm].