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Standards & Audit Sub Board

17 November 2022

A MEETING OF THE STANDARDS & AUDIT SUB BOARD WAS HELD ON 17 NOVEMBER 2022

Councillors Mrs Cully, Hylands, Pepper and Raffaelli

18. APOLOGIES FOR NON ATTENDANCE

Subsequent to the meeting apologies were received from Councillor Marshall

19. DECLARATIONS OF INTEREST

There were none

20. MINUTES OF THE MEETING OF THE SUB BOARD HELD ON 22 SEPTEMBER 2022

- RESOLVED: That the minutes of the meeting held on 21 September 2022 be signed as a true and correct record

21. DEPUTATIONS- STANDING ORDER 3.4

There were none

22. PUBLIC QUESTIONS - STANDING ORDER 3.5

There were none

23. REVISED AND UPDATED CONTRACT PROCEDURE RULES.

Consideration was given to a report by the Borough Solicitor and Monitoring Officer regarding the introduction of a new set of Contract procedure Rules to replace the existing Rules which appear in the Council's Constitution.

Members were advised of an amendment that would be made to paragraph 11.2 of the Contract Procedure Rules to include Small and Medium Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSE) in the as possible participants in the tender process for service only contracts.

In answer to a Members questions, Officers advised the following:

- a) An amendment would be made to include contracts of exactly £5,000
- b) A sentence, regarding genuine award of grants to be removed from the Awarding of Grants section of the exclusions.
- c) The correct legal route for VAT thresholds would be determined
- d) That in instances when less than three quotes had been received, the case would be discussed to see if a waiver could be applied, or if there was another mechanism that could provide flexibility to the process.
- e) An amendment would be made to paragraph 9.1 of the Communications section to add "other than pre-market"

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- f) The Selection Criteria for procurements less than £5,000 would be looked at to see if factors other than lowest price could be taken into consideration whilst ensuring it remains economically advantageous.
- g) A cross reference to the Purchasing Card Policy should be included.

Members were advised that a potential £1.5 million had been saved by using the Proactis system for procurement.

Officers agreed that local firms needed to be encouraged to sign up to the Proactis system, but there may be occasions when a Capital Grant is a better way of providing finance for projects.

RESOLVED: That the Sub-Board:

- i. Approved the Contract Procedure Rules, with identified amendments set out in the Appendix to this report
- ii. Agreed that the new Contract Procedure Rules shall be presented to Full Council for approval as a change to the Constitution

24. AUDIT PROGRESS REPORT TO 1ST APRIL TO 25TH OCTOBER 2022

Consideration was given to a report by the Chief Internal Auditor updating the Sub Board on the progress of the Audit Plan 2022/23.

The Chief Internal Auditor advised Members that this was a standard progress report, and not particularly full, but with six audits in draft there would be a lot more brought to the next meeting. He advised that there was nothing to bring to the attention of the Sub Board, except to explain that there had been staffing changes within the Internal Audit team at Portsmouth City Council.

Members were reassured that any reference to the Standards and Governance Committee would be corrected for the next report.

RESOLVED: That the Standards and Audit Sub Board noted the progress of the Audit Plan 2022/23 1 April to 25 October 2022

25. EXTERNAL AUDIT- AUDIT PLANNING REPORT 2021-22

Consideration was given to a report by Kevin Suter, Partner, Ernst & Young setting out the work they plan to complete to enable the issuing of the audit opinion on the financial statements, and the value for money commentary for 2021/22.

Members were advised that the report sets out items to bring to their attention with the dashboard hi-lighting those which require additional or a higher level of attention, due to a potential risk of fraud or complexity. This report was much the same as previously.

Following a Members question, they were advised that if the auditors missed the deadline of the end of November, a statement could be put on the website to that effect. The draft accounts are already prepped, and could be republished once the comment has been

supplied. A report would be brought to the Policy and Organisation Board by March at the latest.

In answer to a Members question, Kevin Suter advised that with regard to property valuations being affected by inflation, much would depend on local circumstances. There was probably no relevance in regard to operational property, but investment properties would need to be looked at.

Members were advised that an Asset Review was being carried out by Property Services and the results would be brought to a future Policy and Organisation Board.

RESOLVED: That the Sub Board:

- Reviewed the Audit Planning Report 2021/22 and noted the risks and areas of focus identified and the planned response to them
- Recommended the Audit Planning Report 2021/22 to the Policy and Organisation Board as those charged with governance.

26. DATA SECURITY BREACH REPORT

Consideration was given to a report by the Data Protection Officer informing the Sub Board of any Data Security Breaches and actions agreed/taken.

As part of an update, the Borough Solicitor and Monitoring Officer explained to Members that the discrepancy in the number of breaches quoted in Appendix A was caused by the removal of a Member breach from the table, but not the commentary.

Members were advised that the General Data Protection Regulation (GDPR) legislation from 2018 obliged organisations to focus on data breaches, and a data log had been in place since then. The Information Governance group set up to, amongst other responsibilities, ensure robust procedures are in place to manage GDPR and it was felt that bringing a regular report to Board would help meet those obligations.

In answer to a Members question, officers advised that Member breaches do not need to be part of the report to Sub Board

RESOLVED:

- That the Sub Board noted the contents of the report including the breaches that have arisen and the required action determined by the Information Governance Group (IGG)
- That Data Breaches be reported to the Standards and Audit Sub-Board twice a year.

27. FREEDOM OF INFORMATION PERFORMANCE JANUARY - JUNE 2022

Consideration was given to a report by the Borough Solicitor and Monitoring Officer reporting to the Sub Board on the performance of the administration of Freedom of Information (FOI) requests.

Members were advised that this report came out of the Information Governance groups' desire to be more open and transparent. It was seen as a useful tool to use with colleagues

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to see if and where improvements can be made and knowing that the report will be seen by Members may increase officers commitment to improve.

Following suggestions by Members, Officers agreed to include figures that show where the request had originated (company, Media, individual etc) and how many requests had been fully or part refused under exemptions. It was felt that trying to ascertain how long is spent on administering the FOI system would be difficult and time consuming.

RESOLVED: That the Sub Board noted the report

28. ANY OTHER ITEMS

CHAIRMAN

Concluded at 6.30 pm