

**AUDIT AND CORPORATE GOVERNANCE COMMITTEE****20 NOVEMBER 2009****ITEM 6 – INTERIM AUDIT SERVICE ASSURANCE REPORT****ASSISTANT CHIEF EXECUTIVE – LEGAL AND DEMOCRATIC****UPDATE NOTE – FOR CIRCULATE WITH AGREEMENT OF THE CHAIRMAN**

This note supplements the report by providing commentary to assist members from the ACE – Legal and Democratic in her absence. References are to the item numbers in Appendix 2.

I apologise for its late circulation but I was unable to provide an earlier update due to my focus on producing the new Constitution for Council on 13 November 2009.

**Item 41- Financial/contract standing orders**

The Contract Procedure Rules at paragraphs 6.2.3 to 6.2.8 contain provisions that provide for the calculation of financial limits for contracts (in the context of the EU procurement regulations). The non aggregation principle reflected in those provisions is a fundamental principle of EU procurement law and the Council must follow the EU principles in all its contracting activities. Therefore, the provisions of paragraph 6.2.4 apply and are applied to the limits in paragraph 5.1.7 of the Contract Procedure Rules to prevent the splitting of contracts into smaller low value ones in order to avoid the application of that principle. It is accepted that it would be clearer if the principle was also reflected and a similar provision to that in paragraph 6.2.4 included in paragraph 5.1. However, it is not essential.

By way of reassurance, the Legal team provide advice on contracting and apply this principle when giving such advice.

The Contract and Financial Procedure Rules in the new Constitution (to take effect on 1 January 2010) have not been reviewed as part of the recent constitutional review. Council agreed on 13 November 2009 that these rules should be reviewed as part of the next phase of work on the Council's constitution. That review is currently being planned and the Audit and Governance Committee will be involved in that work.

**Item 42 – Election contributions from Parish Councils**

There is a review of elections services underway that is intended to identify and remedy some recent problems in that service area. These are matters for the Returning and Registration officer but I can confirm that the arrangements for parish elections e.g. local count arrangements, the charges levied for parish elections and the arrangements for recovery of election costs from parishes and elsewhere are all being reviewed and will be updated as necessary.

**Item 67 - Review of the Code of Corporate Governance**

I am unclear as to whether any review of the Code of Corporate Governance took place prior to June 2009 when I joined the Council. In any event, the Code of Corporate Governance was considered and used as a guiding document in the recent constitutional review process and it was raised as a matter for further review by the Chair of the Standards Committee in his comments to Council on 13 November 2009. I am proposing that the Code of Corporate Governance be reviewed as part of the next phase of work on the Council's Constitution.

#### **Item 82 – Scrutiny of Crime and Disorder activities**

On 13 November 2009, the Council agreed that the Community Safety Scrutiny Committee should be the Council's designated Crime and Disorder scrutiny committee for this purpose. This responsibility will be reflected in the terms of reference of the Community Safety Scrutiny Committee in Part 7 of the new Constitution. This item should now be considered closed.

#### **Item 86 – Terms of reference and quorum for Audit and Governance Committee**

The Audit and Governance Committee functions in Section 6 of Part 3 (The Functions Scheme) of the new Constitution reflect the terms of reference proposed by this committee. Section 12 of Part 5 of the new Constitution contains further details set out in the form of an Audit and Governance Code. The membership of the Committee remains unchanged and no change to quorum has been made. This matter should now be considered closed.

#### **Item 98 – Quality of information in reports**

There is no a new template for reports in place that provides for all relevant considerations and options to be included in reports. Training is ongoing and I propose to deliver further training on report writing in the New Year. I have put in place a system for legal services to clear reports in future. I would encourage Councillors to continue to question those who present reports if it appears relevant information is missing. I am working on improving legal and committee services support so that at formal meetings members have that support to ensure that decisions that are taken are fully informed and legally robust.

I hope that this update is helpful and would ask the Committee to agree that my comments be reflected as appropriate in the minutes and future update of the interim assurance report.

Charlie Adan

Interim Assistant Chief Executive – Legal and Democratic Services

18 November 2009