



Corporate Governance Committee

You are requested to attend a meeting of the Corporate Governance Committee to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 9 November 2005 at 16:00.

Agenda

- 1 Apologies
- 2 Minutes of the meeting held on 13 July 2005 (attached).
- 3 Public Question Time
- 4 Standards Committee - Annual Report 2004/05. Report of the Chairman of the Standards Committee (attached).
- 5 Strategic Risk Management. Report of the Head of Environment and Leisure (attached).
- 6 Health and Safety Management (HSM System) Briefing Note. Report of the Corporate Health and Safety Advisor (attached).
- 7 Internal Audit Services - Progress Report. Report of the Group Auditor (attached).

Tonya Meers
Legal and Democratic Services Manager

05 January 2010

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under “Public Question Time” is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

If a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council’s Planning Committee and details of the “rules” which apply at these meetings can be found in the leaflet “Having Your Say on Planning Applications”. A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

Full Council, Executive, Committees and Task and Finish Review agendas, reports and minutes are available on our website: www.tauntondeane.gov.uk



Lift access to the John Meikle Room and the other Committee Rooms on the first floor of The Deane House, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are also available off the landing directly outside the Committee Rooms.



An induction loop operates to enhance sound for anyone wearing a hearing aid or using a transmitter.

For further information about the meeting, please contact Democratic Services on 01823 356382 or email d.durham@tauntondeane.gov.uk

Corporate Governance Committee Members:-

- Councillor B Denington
- Councillor A Govier
- Councillor R Henley - Leader of the Council
- Councillor A Paul
- Councillor M Whitmarsh
- Councillor J Williams
- Councillor A Beaven
- Councillor A Wedderkopp
- Councillor N Wilson
- Councillor J O'Brien
- Councillor P Critchard

Corporate Governance Committee - 13 July 2005

Present: Councillor Williams (Chairman)
Councillors Denington, Hall, Slattery, Mrs Smith and Mrs Whitmarsh.

Officers: Ms S Adam (Corporate Director), Mr P Carter (Financial Services Manager), Mr C Gunn (Internal Audit Manager), Mr S Murphy (Principal Accountant), Mr R Bryant (Review Support Manager).

Also Present: Mr T Bowditch, Audit Manager, The Audit Commission.

No press were present at this meeting.

(The meeting commenced at 6.15 pm.)

16. Apologies/Substitution

Apologies: Councillor Mrs Lewin-Harris (Vice-Chairman) and Councillors Beaven, Meikle and Prior-Sankey.

Substitution: Councillor Slattery for Councillor Prior-Sankey.

17. Minutes

The minutes of the meeting held on 21 February 2005, were taken as read and were signed.

18. Audit and Inspection Plan 2005/2006

Mr Terry Bowditch, Audit Manager, the Audit Commission (AC), introduced Taunton Deane Borough Council's Audit and Inspection Plan 2005/2006.

The plan set out the audit work proposed to be undertaken by the AC. It had been drawn up from the AC's risk based approach to audit planning and reflected:-

- the impact of the new Code of Audit Practice which came into effect on 1 April 2005. Noted that the key changes included:-
 - (i) the requirement to draw a positive conclusion regarding the Council's arrangements for ensuring value for money in its use of resources; and
 - (ii) a clearer focus on overall financial and performance management arrangements.
- the Council's local risks and improvement priorities;

- current national risks relevant to the Council's local circumstances; and
- the impact of International Standards on Auditing (ISA's).

The total fee estimate for the audit and inspection work planned was £78,824. Details as to how this fee had been determined were submitted.

Following the Council's classification as an "excellent" Council in the 2004 Comprehensive Performance Assessment, the AC had applied the principles of strategic regulation. As a result, no service inspections would be carried out during 2005/2006. The inspection activity would focus on the Direction of Travel Statement, which would provide an assessment of the Council's progress against its Improvement Plan. The AC's conclusions would be set out in a scored and published Direction of Travel Statement.

An in depth study of the Council's use of resources would be undertaken based on the following summary:-

Use of resources activity	Reason/impact
Use of resources judgement	To inform the Use of Resources overall assessment in the December 2005 Comprehensive Performance Assessment scorecard
Value for Money opinion	To provide the AC's conclusion as to whether the Council had appropriate arrangements in place to deliver economy, efficiency and effectiveness
Best Value opinion	To provide the AC's conclusion as to whether the Council's Best Value Performance Plan meets the statutory requirements, particularly in respect of the accuracy and completeness of the published Best Value Performance Indicators
Audit certification of the actual performance reported in the Council's annual efficiency statement	To provide independent confirmation that the reported savings had been achieved

The AC would also be carrying out an audit of the 2005/2006 financial statements and would have regard to the newly introduced ISAs.

The Statement of Internal Control would be reviewed to ensure it had been presented in accordance with relevant requirements. On the basis of preliminary work, eight "opinion risks" had been identified which would be actioned.

Noted that the audit of the 2004/2005 financial statements had yet to be undertaken and the 2005/2006 financial statement audit planning would continue as the year progressed. This would take account of:-

- the 2004/2005 opinion audit;
- the AC's documentation and initial testing of material systems; and
- the AC's assessment of the 2005/2006 close down arrangements.

Mr Bowditch concluded that as part of the planning process, the AC would take the opportunity to look at potential issues for future years' programmes. Key areas identified included:-

- (a) a possible Housing Stock Transfer in 2006, depending on the outcome of tenants' ballot; and
- (b) the further development of the "Vision for Taunton".

RESOLVED that the report be noted.

19. Statement of Accounts 2004/2005

Considered report previously circulated, concerning the annual Statement of Accounts for 2004/2005 which was required to be approved by the Corporate Governance Committee prior to the accounts being signed by the Council's Section 151 Officer and Strategic Director, Shirlene Adam, and by the Chairman of the Committee, Councillor Williams.

The Statement of Accounts had been presented two weeks ahead of the deadline of 31 July 2005. Noted, however, that next year this statutory deadline was to be moved back a month to the end of June.

The 2004/2005 Accounts presented were subject to Audit, which was currently being undertaken by the Audit Commission.

The format of the Statement of Accounts was largely the same as last year and complied fully with current Local Authority Accounting arrangements. A new requirement for 2004/2005 was the inclusion of Group Accounts which brought into the Council's financial statements the activities of organisations over which the Council had significant control, for example, Tone Leisure.

A detailed presentation was made to Members by the Financial Services Manager, Paul Carter, on the Statement of Accounts which included information on the following topics:-

- Statement on the System of Internal Control;
- Consolidated Revenue Account;
- Consolidated Balance Sheet;
- Housing Revenue Account;

- Collection Fund; and
- Group Accounts.

Reported that following the conclusion of the current audit being undertaken by the Audit Commission, the Committee would be informed of any significant amendments arising.

RESOLVED that:-

- (i) the Statement of Accounts for 2004/2005 be approved; and
- (ii) the following determinations in respect of the year ended 31 March 2005 be made:-
 1. Section 42(2)(g) - that £599,000 of expenditure for capital purposes, which was financed by grant, be capitalised; and
 2. Section 60(2) - that £2,218,000 of useable capital receipts be applied to meet capital expenditure.

20. Internal Audit Services - Annual Report 2004/2005

Submitted for consideration the Annual Report 2004/2005 of the Council's Internal Audit Services.

Overall, the Council had in place an adequate and effective internal control environment. Most audits undertaken had shown compliance with the relevant internal controls.

Even though some recommendations had been made to improve the internal control environment in some areas, there were no instances whereby internal control weaknesses created any significant risks for the Council's activities or services.

The following was a summary of the work undertaken during the year:-

- (i) Audit - 31 audit reviews had been completed which had resulted in 269 recommendations being made to the relevant Service Managers and Heads of Service. Each audit area would be re-visited after six months to review whether the agreed management actions had been successfully implemented.
- (ii) Risk Management - Work had continued to embed Risk Management across the Council.
- (iii) Value for Money - The reviews on the use of mobile phones and the Council's control team functions within Finance and Revenues had identified either service improvements or potential budgetary savings.

- (iv) Information Governance - The section had been involved with the update and review of the Council's Information Services Strategy, had provided advice on Data Protection issues and had played a fundamental role in the implementation of the Freedom of Information Act across the Council.
- (v) Contract Audit - All final accounts had been reviewed and work had also been undertaken on the Council's major partnering initiatives.
- (vi) General Financial Advice.

In terms of performance against the 2004/2005 Audit Plan, reported that 521 audit days had been delivered during the year, compared to the 749 days planned. Noted that performance had been affected by a number of issues, not least the significant time devoted to setting up the South West Audit Partnership.

RESOLVED that the report be noted.

21. Internal Audit Services - Progress Report

Considered report previously circulated, which provided an update on the progress made against agreed audit recommendations from 2004/2005. The report also detailed the activities of the Internal Audit team for the period between January and June 2005.

Reported that the 31 audit reviews completed during 2004/2005 had resulted in 269 recommendations being made. Although follow up visits had yet to be completed for all of these audit areas, summary details of progress against the recommendations was submitted.

Also reported that 123 (88%) of 139 recommendations made during 2003/2004 had now been implemented. Of the remaining 16, seven had been re-reported during the 2004/2005 audits and the remainder would be revisited during 2005/2006.

The Internal Audit team was currently operating with a part-time vacancy, due to the postholder being seconded to the Policy and Performance function. This secondment was due to end shortly and, with some temporary support over the summer, the team would be well placed to meet the 2005/2006 Audit Plan.

RESOLVED that the report be noted.

(The meeting ended at 8.11 pm.)

TAUNTON DEANE BOROUGH COUNCIL

STANDARDS COMMITTEE – ANNUAL REPORT – 2004/05

Introduction

The Council's Standards Committee has been operating for since 2000. Although our meetings are open to the public, the minutes are available for inspection and regular updates of our work published in the Weekly Bulletin we feel it is good practice to produce an annual report so that members of the Council and the public are aware of our activities.

Membership

Right from the start the Council has not only complied with the appropriate legislation but gone beyond it and ensured that the Committee had a majority of independent members who were not connected with the Council. Again, in accordance with the legislation, our Chair is chosen for the independent members.

There are also two Parish Council representatives and one Councillor from each of the political groups represented on the Council.

Full details of the Committee's membership is as follows:-

Independent members:

David Baker O.B.E. (Chair)
Anne Elder
John Dewdney
Bryan Gould
Maurice Stanbury
W Lynn Rogers
1 vacancy

Parish representatives:

Philippa Hawks
Ernie Warren

Council representatives:

Councillor Mrs Allgrove
Councillor Croad
Councillor Slattery
Councillor Mrs Whitmarsh

We are supported at our meetings by Jeremy Thornberry, the Council's Monitoring Officer, David Greig, Parish Liaison Officer and Greg Dyke, Member Services Manager.

Terms of Reference

The Local Government Act 2000 introduced certain principles governing the conduct of members of relevant authorities.

The Terms of Reference which have been adopted by Taunton Deane's Standards Committee are:-

- (a) To advise on the adoption and monitoring of the new local Code of Conduct for members.
- (b) To be responsible for training of Councillors on ethical conduct.
- (c) To promote and maintain high standards of conduct in the Authority and assist the Authority's members to observe its Code of Conduct.

Functions of the Standards Committee

In accordance with Section 54 of the Local Government Act 2000, the Committee is responsible for:-

- (a) promoting and maintaining high standards of conduct by the members and co-opted members of the Authority; and
- (b) assisting members to observe the code of conduct;
- (c) advising on the adoption of a code of conduct;
- (d) monitoring its operation; and
- (e) advising, training or arranging to train members on matters relating to the Code.

Training

- a) Training of Councillors
Over the past two years the Committee has organised and promoted training sessions on ethics and probity for all Taunton Deane Councillors and for all Parish Councils. This subject is also now incorporated in the induction training for all new councillors. The training sessions have been fairly well attended. Out of Taunton Deane's 54 Councillors, there are only eight (excluding those elected in May 2005) who have been unable to attend any of the training sessions. The relatively high profile of this Committee has continued to raise the awareness of ethics and probity amongst all Councillors.

The stage has now been reached where the Committee has considered what further steps should be taken to maintain the high profile and ensure that ethics and probity are kept firmly in the minds of all Councillors.

We therefore asked our Chairman to speak to the four political group leaders to emphasise the importance of their members attending the training sessions. We feel one further training session should be set up for those Councillors who have so far been unable to attend, and that some form of refresher training for all Councillors be included in the 2005/06 Member Training Programme.

We are pleased to note that the meeting with Group Leaders has taken place and the importance we place on training is shared by them.

b) Training of Standards Committee members

We too have undertaken training. We have attended training sessions on how to deal with Local Determinations and we have been represented at the Annual Assembly of Standards Committee. We also keep abreast of national developments, policies and trends by being represented at the Regional Roadshows organised by the Standards Board for England.

Independent members in the Region have formed the South West Independent Members Forum at which we are able to hear from officers of the Standards Board and, most importantly, network and share good practice with our colleagues.

Review of 2004/2005

During the year we have met on four occasions. The areas we have discussed have been:

- Training
- Consultation papers from both the Government and the Standards Board for England
- Feedback from forums and meetings
- Parish Councils and the Code
- The future of the ethical agenda and the role of the Standards Board for England
- A review of the existing Code of Conduct.

Training has been covered earlier in the report and a little more detail on national developments is submitted later.

With regard to Parish Councils we consider their awareness of ethics and probity to be equally as important as Borough Councillors. We are fortunate to have the services of David Greig, Parish Liaison Officer who has provided one to one training for many Parish Councils where appropriate. He is also a regular attendee at a large number of Parish Council meetings and is therefore able to monitor all matters concerning ethics and probity. He has visited over 27 Parish Councils during the year and observed first hand how they function. No serious cause for concern has been revealed.

In addition, we are pleased to report that this Committee, through its Chairman, made a presentation at the Annual Meeting of Parish Councils emphasising the importance of ethics and probity and reminding them of their responsibilities.

We have been notified of two cases at Norton Fitzwarren which have been determined by the Standards Board for England. In both cases, no breach of the Code was found.

National Developments

During the year we have responded to consultation papers from the ODPM and the Standards Board for England on Local Determination Regulations and Local Investigations – Draft Guidance for Monitoring Officers.

The Standards Board for England has been reviewing the Code of Conduct and had invited all Standards Committees to help to shape its future. Details of their consultation paper have been considered by us. We were disappointed that the consultation paper did not address what we felt were the main issues concerning most local Standards Committees. Once again the need to deal with most cases locally was emphasised. It was also felt that the process needed to be speeded up, it shouldn't be so prescriptive and legalistic and a reserve power should be introduced in order to give the Standards Board an ability to call in cases within a particular time period.

The Committee on Standards in Public Life had also produced a report which covered all elected and appointed public office holders. The major part of the report focussed on public appointments. There was, however, a section where the report looked at the ethical agenda and the role of the Standards Board for England.

We were more than interested to note that the inquiry had concluded that the framework must move to locally based arrangements for the initial handling, investigation and determination of all but the most serious cases. This is not a view shared by the Standards Board for England. The Committee agreed with the views contained in the report on implementing standards of conduct in public life and saw no reason why cases could not be handled locally in all but the most serious instances. It acknowledged that some form of reserved power be included to allow the Standards Board for England to deal with contentious cases.

We felt sufficiently strongly to submit these views to the Standards Board for England with copies to the Office of the Deputy Prime Minister, Local Government Association and National Association of Local Councils.

The Future

We intend to continue to provide training for Borough and Parish Councillors. We will continue to press for local determination of cases. We remain convinced that all but the most serious cases should be dealt with by local Standards Committees rather than centrally by the Standards Board for England.

We particularly want to offer further support to our Parish Councils. Great strides have been made by the parishes since the introduction of the Code but we recognise that we have a legal duty to ensure that both tiers of local government are clear on their responsibilities and of the protection the Code offers them. In addition to the presentation at the Annual meeting of Parish Councils we will be looking at what more we can do and how we can continue to work with Parish Councils.

Guidance on appointment of members to the Standards Committee is an area to which we feel we can contribute. We will, therefore, shortly be taking a look at the criteria for selection.

Our meetings will be more formally timetabled and advertised more fully. We recognise that the operation of the Standards Committee should be just as open and transparent as any other Committee of the Council.

Above all, we will strive to continue to maintain the high profile and ensure that ethics and probity are kept firmly in the minds of all Councillors. By doing this, Councillors will be well prepared to deal with all matters in an open and transparent manner.

David Baker
Chair
Taunton Deane Standards Committee

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE – 9 NOVEMBER 2005

Strategic Risk Management

EXECUTIVE SUMMARY

Since 2002 The Council has been introducing a formalised system of Managing Strategic risks.

Risk Registers are now in place at Corporate level and for each Head of Service.

A number of projects have also been assessed for risk and control measures put in place.

Work is soon to commence on cascading the risk management throughout the organisation down to operational level.

An action plan has been produced to identify future work.

1. Purpose of Report

The purpose of this report is to update the Committee on the following issues:

- the work that has been carried out to manage Strategic Risk throughout the authority
- the work that has been carried out on Project Risk Management
- the action plan for future work

2. Background

The management of risk is an important element of good management in local authorities for the following reasons:

- it minimises the chance of unplanned and unforeseen problems occurring.
- it identifies opportunities that might fall within our appetite for risk
- it ensures that as an organisation we remain insurable
- it is recognised as an essential element of good management by the Comprehensive Performance Assessment (CPA)

Zurich Municipal Management Services (ZMMS) were employed during 2002/03 to help the authority develop and implement a Strategic Risk Management Strategy, and to initiate the risk assessment process with CMT.

Since December 2002, the Risk Management Team (RMT) has been working with Directors firstly to identify and manage high level corporate risks across the authority and to start cascading and embedding the risk assessment process throughout the authority.

3. What is Risk?

There are 2 types of risk:

- Direct threats (damaging events) which could lead to a failure to achieve objectives
- Opportunities (constructive events) which if exploited could offer an improved way of achieving objectives, but which are surrounded by threats

Risk in management terms is the likelihood that a business threat to the organisation actually occurs or that opportunities will be lost

4. What is Risk Assessment?

Risks can be assessed by considering the likelihood of the risk actually occurring together with the consequences that would ensue. This gives a risk rating which can be measured against the authorities preset appetite for risk.

5. What is Risk Management?

Risk Management is defined in the ZMMS/Solace publication "*Chance not Choice?*" July 2000 as:

"The management of integrated or holistic business risk in a manner consistent with the virtues of economy, efficiency and effectiveness. In essence it is about making the most of opportunities (making the right decisions) and about achieving objectives once those decisions are made. The latter is achieved through controlling, transferring and living with risks"

In simpler terms Risk Management provides a framework that enables Taunton Deane to identify, assess, manage, monitor, and report risks in a way that will enable the Council to minimise losses and maximise opportunities.

The process of Risk Management adopted by the Council is shown at Figure 1.

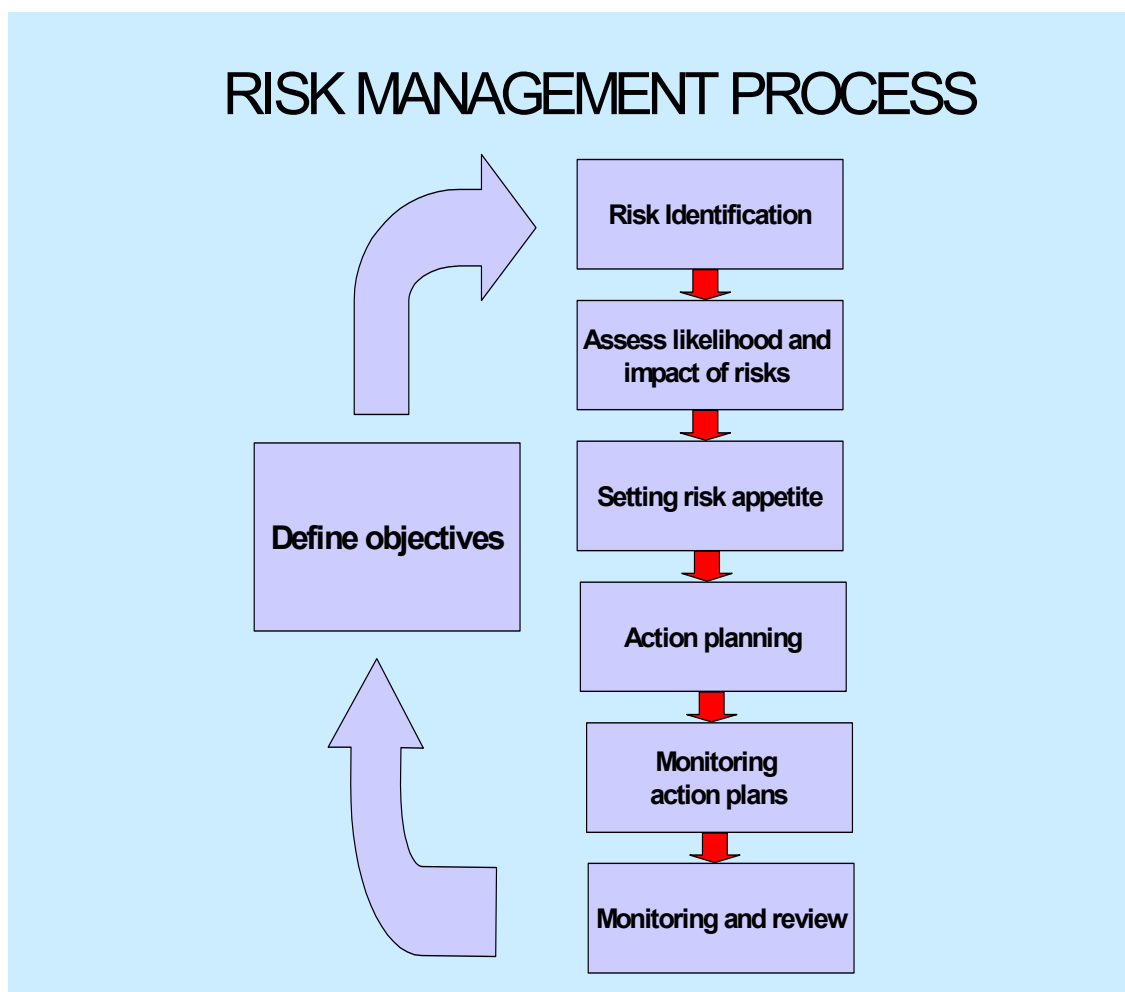


Figure 1 The Risk Management Process

6. Health and Safety Management System

Risk Management should not be confused with Health and Safety Management. Health and Safety is a statutory requirement of employers to protect their staff, contractors or anyone else who could be affected by their work activities from risks that could affect their Health or Safety. This is therefore only one element of Risk Management which deals with all business risks affecting the organisation. However, Health and Safety is clearly an important duty and work is being carried out in parallel with the Risk Management Strategy to embed a Health and Safety Management Strategy throughout the Council and that will be a separate item on this agenda.

7. Report - What has been done so far

A Risk Management Strategy has been produced to set out the Councils approach to Risk Management.

A sharepoint intranet site has been set up to form a comprehensive database of risk management activity and information

A Corporate Risk Register has been produced for the Authority monitored by Corporate Management Team (CMT)

However, since the creation of the original Corporate risk register, the authority has been through a fairly major restructure at Corporate Management Team level.

Work has now been carried out to:

- revisit the CMT risk register and update it with new risks and delete risks no longer live; and
- regroup the existing Directorate registers in “Heads” groupings.

The regrouping of existing Directorate risk registers into Heads groupings allows Heads to take responsibility for managing the risks within their area of the organisation. The Risk registers can now be incorporated into the Heads Service plans and form part of the performance monitoring system.

Now that the regrouping/updating of existing registers is complete, the risk assessment process will be cascaded down to service level. This exercise will be driven by Heads and their Service Managers - with appropriate support from the Risk Management Team (RMT) as necessary. The resultant service risk registers will form part of the operational plans.

The impact on the workload of the Risk Management Team (RMT) officers so far has been significant and is likely to increase as risk management becomes further cascaded throughout the organisation. The RMT have therefore arranged for additional officers to be trained on the Zurich model of risk assessment to assist with this deployment throughout the organisation.

8. Project Risk Management

All major projects are now subjected to the Risk Management process this results in the project leader taking responsibility for the project risk register. Smaller projects are assessed if requested by the project leader or CMT. So far the following projects have been through the risk assessment process.

Project	Project Manager / Register Owner
Leisure Trust	Penny James
Wellsprings	Jeremy Thornberry
Hunt's Court	Karen Hughes
Housing BV Review	Carl Brazier
Payroll / HR System Replacement	Kevin Toller
Wessex Reinvestment Trust	David Whitehead
Somerset Direct/Customer First	Kevin Toller
Housing Stock Options	Carl Brazier
Waste Partnership	Pete Weaver
Stock Transfer Project	Carl Brazier
ISIS	Jill Sillifant
The Vision	Mark Green
DDA	Stewart Rutledge
Revenues and Benefits System	Paul Harding
The Vision	Penny James
The North West Package	Ralph Willoughby-Foster

Project managers are expected to actively manage their registers and report progress against action plans to the Risk Management Team on a regular basis in line with the reporting mechanisms set down in the Prince 2 Project Management

methodology. They are also required to flag up any new risks identified together with the risk rating.

9. The Action Plan for Future Work

Much work has been carried out so far but there is still much to do. As well as reviewing existing plans on a regular basis, all new projects will need to be assessed and added to the list. In addition the process needs to be embedded throughout the organisation and our methodology and strategy refined and updated as necessary.

The proposed actions are set out in the following table.

ACTION	TARGET DATE	RESP
Allocate new risk management trainees to service areas to facilitate deployment of Risk management to service level	Oct 05	RMT
Update CMT Risk Register	Dec 05	CMT
Update Heads of Service Registers on annual basis (for inclusion in Heads plans)	Nov 05	Heads
Completion of Risk Assessment Exercises At Service Level (for inclusion in Operational Plans)	Dec 05	SUMs
Update Risk Management Strategy	Apr 06	Pete Weaver
Populate Share point site and keep up to date	Apr 06	Chris Gunn
Ensure list of projects undergo risk assessment	On going	Brendan Cleere
Report to Corporate Governance Committee at 6 monthly frequency	May 06	Pete Weaver

10. Recommendations

The Corporate Governance Committee are recommended to:

- a) Note the progress made so far in Managing Strategic Risk within the Authority.
- b) Note the Actions that are planned for the future.

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TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE – 9 NOVEMBER 2005

REPORT OF THE CORPORATE HEALTH AND SAFETY ADVISOR

Health and Safety Management System (HSM System) Briefing Note

EXECUTIVE SUMMARY

The last twelve months has seen the creation of a firm base for the introduction of the Council's Health and Safety Management System, with managers accessing H&S support on a daily basis.

The next step will be a rapid consolidation of the HSM System across the Council due in part to the programme of team workshops to support the Health and Safety Executive project and the use of the IT 'Sharepoint' programme.

1. Purpose of Report

To outline progress on the development and introduction of a Health and safety management System.

2. Background

The Health and Safety Management System (HSM System) is a vital dynamic support framework for the whole Council. It provides clarity, direction and understanding on the safety roles and responsibilities of all employees.

It is designed to ensure legal compliance and safe delivery of services.

The HSM System (when fully implemented) provides visible coherence and integration throughout. It combines the 'Hard' (information and systems) with the 'Soft' (cultural and leadership) issues. It is integrated with the stringent Corporate Governance requirements as defined by the Audit Commission and makes a strong contribution to the operating culture and well-being of the Council.

A new H&SM System cannot be 'imposed' it has to be introduced in a careful and systematic way. It must be developed with the co-operation and participation of the employees. Implementation must recognise the limitations, pressures and priorities of the continuing service delivery. This is reflected in the content of section 3. Progress Report, below.

3. Health and Safety (H&S) Support

In response to an identified need, as required under the Management of Health and Safety at Work Regulations 1999, the Council appointed a 'Corporate' H&S Advisor in August 2004.

As Health and Safety is a management responsibility, the advisor has a key support role in:-

- Providing H&S advice across all aspects of the Councils activities.
- Auditing and reviewing H&S performance across all service units.
- Promoting opportunities to develop a positive safety culture.
- Developing effective H&S Management System, policies and procedures.
- Evaluating risk and advising on impending legislation.

- Promoting consultation and H&S partnerships.
- Supporting the drive for continuous improvement.

3. Progress Report – Overview

A period of design time was required to ensure that the Health and Safety Management System was relevant and effective for the Council's operations.

Rapid introduction of a 'system' would be difficult due to competition with other corporate priorities. Crucial to the system's success and acceptance by its users was an IT program which was due in 2005. (In place October 2005.)

Therefore the decision was made to phase in the HSM System over a period of three years, linking into other opportunities to maintain steady progress and an increased awareness of H&S within the Council's operations.

3.1 Progress Report – Key Milestones

- 14.12.04 - Corporate Management Team (CMT) agreed in principle to the creation of an H&S Management System.
- 05.01.05 - HSM System Outline Briefing to senior management team.
- 17.01.05 - Revised Health and Safety Consultation Arrangements agreed.
- 21.01.05 - H&S Policy Documentation Approval - Tracking Process agreed.
- 27.01.05 - Health and Well-being at Work Policy (Work related stress) agreed.
- 01.02.05 - Display Screen Equipment (DSE) training and Assessment package, designed and implemented for all 'users'. (Completed 13.04.05.)
- 01.04.05 - Revised General Health and Safety Policy Statement, signed and issued by the Chief Executive and Leader of the Council.
- 10.05.05 - Briefing to PLG-Executive+CMT on Members H&S Roles and Responsibilities as set out in the HSM System.
- 10.05.05 - The Executive after discussion on the option of identifying an elected Council member with specific responsibility for safety (Portfolio Holder). Decided to promote H&S as a shared responsibility across the Executive.
- 06.06.05 - Accepted into the National HSE project; 'The Willing 100' and the introduction of the Management Standards on Work related Stress.
- 22.09.05 - Health and Safety Committee and Risk management panel met.

4. The Future

There is good H&S practice existing within the Council, however there are gaps and areas where significant improvements need to be made.

The H&S policy statement clearly identifies the holistic approach and cross-function links that need to be established, if we are to make a step change improvement in the culture and future operation of the Council.

Two vitally important tools are now available to speed up and influence the successful introduction of the HSM System: -

1. The programme of team workshops to support the HSE project and the introduction of the Management Standards on Work related Stress.
2. The IT 'Sharepoint' programme.

April 2006 should see a rapid completion of the system, within the context of a workforce better equipped to accept and manage their H&S responsibilities, even during a period of profound change.

Developing the role of the Council's Executive and informing members will form the final part of the implementation process.

The author acknowledges the strong support provided by the Chief Executive, the Corporate Management Team and a number of colleagues, whose co-operation has been essential to the work delivered by the Corporate H&S Advisor.

5. Recommendations

The Corporate Governance Committee is recommended to:

- a) Note the actions and progress outlined in this report; and
- b) Request the Executive to note the actions planned and continue to support this initiative.

Contact: David Woodbury MIOSH, Corporate Health and Safety Advisor
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TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 9th NOVEMBER 2005

INTERNAL AUDIT SERVICES – PROGRESS REPORT

REPORT OF THE GROUP AUDITOR (this matter is the responsibility of Councillor Williams, the Leader of the Council)

EXECUTIVE SUMMARY

This report highlights significant findings and recommendations that have occurred since the Committee last met in July 2005. Also included in this report is an update on management responses to Internal Audit findings and the implementation of recommendations for audits completed during the 2004/05 financial year and any outstanding recommendations from previous financial years.

1. Purpose of Report

To provide members with an update on the progress made against agreed audit recommendations from 2004/05 and to present an update on the activities of the Internal Audit team for the period July 2005 to November 2005.

2. Summary of agreed actions in respect of 2004/05 Audits

There were 31 audit reviews completed during 2004/05 that resulted in 269 recommendations. 101 of these recommendations will not be followed-up as most relate to the Council's last leisure centre audits. Summary details of progress against the recommendations is attached as Appendix A.

70 (80%) out of the 88 recommendations made during 2004/05 that have been retested so far have been implemented. The remaining 18 are either no longer appropriate or have been re-reported during the 2005-06 audits.

The Internal Audit team have now started to issue audit reports that include individual risk ratings for recommendations (High, Medium, Low), future reports will include a breakdown for each audit undertaken and performance will be monitored to ensure that recommendations are implemented.

3. Work undertaken by Internal Audit July 2005 to November 2005

Included at appendix B is a detailed list of the audits completed from July 2005 to November 2005 including any **significant** findings or recommendations.

4. Performance against the 2005/06 Plan

The Internal Audit team is currently operating with a full-time vacancy due to the postholder being successfully promoted to the post of Senior Auditor. The team has been strengthened by the return from secondment of the part-time member of staff who is now employed full-time within the Audit Partnership as a Computer Auditor / Audit Assistant. The team is currently behind schedule in the achievement of the 2005/06 Audit Plan. It is hoped that once the full-time vacancy has been filled that the team will be back on track to meet the 2005/06 Audit Plan.

5. Recommendation

The Committee should note the content of this report.

Background Papers

There are no background papers.

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Summary of progress made against 2004/05 recommendations

Appendix A

Audit Area	2004/05 Recommendations	No. actioned	No. outstanding	Comments
Sheltered Scheme Managers*	8	-	-	Not followed-up as due to changes in the arrangements for Sheltered Scheme Managers
National Non-Domestic Rates	3	2	1	One 03/04 recommendation on separation of duties not implemented, carried forward to 04-05, still to be implemented when checked 05/06.
Cash Receipting	9	9	0	
Council Tax	13	10	3	Staffing issues backlogs, division of duties, review of work
Bank Reconciliation	8	7	1	Cancelled cheques narrative Payroll
Review of Control Team	1	1	0	
Sale of Council Houses	0	0	0	
Wellington Sports Centre*	16			Will not be followed-up responsibility of Trust
Taunton Pool*	12			Will not be followed-up responsibility of Trust
St James St Pool*	10			Will not be followed-up responsibility of Trust
Vivary*	17			Will not be followed-up responsibility of Trust
Wellsprings*	17			Will not be followed-up responsibility of Trust
Blackbrook*	21			Will not be followed-up responsibility of Trust
Capital Charges	1	1	0	
Main Accounting	3	2	1	Awaiting FIS Implementation
Creditors	9	8	1	Record keeping for special cheques
Taunton Deane Debts	10	6	4	Two 03/04 recommendations on system changes required + division of duties, others delays in raising accounts and contingency plan
Housing Benefits	19			04-05 Audit not yet followed-up

Treasury Management	1	1	0	
Payroll	7	3	4	Statement of particulars, procedural guide, supervision, management info
Housing Benefits Post Room	22	17	5	
Priory Depot Stores 2003/04	-			Two 03/04 recommendations on staffing issues still to be implemented.
Housing Rents	6	3		Procedural guides, delays in refunds
Planning Fee Income 2003/04	-			One 03/04 recommendation system enhancements required
Concessionary Travel	3			04-05 Audit not yet followed-up
Periodic Income 2003/04	-			Four 03/04 recommendations staffing issues + system enhancements still to be implemented.
Officers Allowances, Gifts & Hospitality	9			04-05 Audit not yet followed-up
Members Allowances & Hospitality 2003/04	-			Two 03-04 recommendations (records and monitoring) still to be implemented
Car Loans	6			04-05 Audit not yet followed-up
Piper	5			04-05 Audit not yet followed-up
Licensing	1			04-05 Audit not yet followed-up
DLO/DSO accounts	1			04-05 Audit not yet followed-up
Housing Rent Arrears	0	-	-	
CCTV	20			04-05 Audit not yet followed-up
Mobile Phones	11			04-05 Audit not yet followed-up
Totals	168	70	18	80%

Bank Reconciliation : 😐

The reconciliation of the Council's various bank accounts is a fundamental control measure. Problems highlighted in previous audit reviews including delays in the posting and issue of cheques to the Bank Reconciliation system and the high level of special cheques produced have been addressed. Special cheques are now only issued when there is no other option. The 2005/06 review identified delays in the completion of bank reconciliations and problems with the authorisation of Payroll BACS runs.

Treasury Management : 😊

The area of Treasury Management (due to the nature and value of the transactions) is one of the greatest financial risks to the Council. The robustness and integrity of the procedures and controls in place is of paramount importance. The review focussed on the testing of individual transactions and on the controls in place. The 2005/06 review identified 1 transaction where an investment was made with a Building Society which is not within the Council's approved risk rating category.

Creditors : 😐

The review concentrated on the testing of the Creditors System examining the overall controls in place and focusing on the findings of the risk analysis undertaken prior to the start of the review. A new cheque signing machine has been installed and control issues have been discussed with staff as part of the audit. It is our opinion that the Creditors System operates within a satisfactory system of internal control in most key areas. There were, however, some areas that need to be addressed by management including the creation of budgets against individual codes, the processing of periodic payments for telephone accounts and the raising of official orders in respect of invoices.

National Non-Domestic Rates : 😊

The review concentrated on the testing of the Non-Domestic Rating System examining the overall controls in place and focusing on the findings of the risk analysis undertaken prior to the start of the review. Due to the small size of the section division of duties between officers responsible for administering collection, debt creation and reconciliation of the property database is not possible to achieve. It is hoped that the new revenues system will help mitigate the problem by automating more functions. The 2005/06 review identified delays in the updating of the Valuation List and identified that the IT contingency plan was out of date.

Main Accounting : 😊

In undertaking this review the Council's General Ledger and Budgetary Control system was tested to validate the creation, monitoring and reporting of the Council's budget and related spend. The Council's current FIS (Financial information System) does not easily provide management information, the information that is produced needs careful interpretation and it is questionable whether the information is sufficient to support budget monitoring or management decision-making processes.

Cash Receipting : 😊

The review concentrated on the testing of the Council's cash receipting arrangements within the Deane House and at the Wellington Community Office. The controls in place were examined with the review focussing in the physical security arrangements in place safeguarding monies paid to the Council. The only significant weakness identified was that the combination code for the main safe within the cash office at Wellington required changing. This has now been completed.

Capital Charges : ☹️

The Capital Charges system provides the accounting entries for the Council's fixed assets, this system is recognised as high risk due to the value of the transactions that pass through and if calculated incorrectly the material misstatement that could occur in the Council's accounts. From testing undertaken during the 2005/06 audit it was identified that the Council's Asset Register has not been kept up to date, acquisitions and disposals although changed in the Asset Register are not always communicated to Accountancy staff and there is a risk that impaired assets are not always correctly valued.