



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 30 June 2009 at 18:15.

Agenda

- 1 Apologies
- 2 Public Question Time
- 3 Declaration of Interests. To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct
- 4 Internal Audit Plan - Progress Review. Report of the Group Auditor, South West Audit Partnership (attached)
- 5 Annual External Audit Fee 2009/2010. Report of the Strategic Director (attached)
- 6 Housing Repairs - Progress Report and Action Plan. Report of the Chief Housing Officer (attached)
- 7 Statement of Accounts 2008/2009. Report of the Strategic Finance Officer (attached)
- 8 South West Audit Partnership Financial Performance 2008/2009. Report of the Strategic Director (attached)
- 9 Review of Effectiveness of Internal Audit Arrangements. Report of the Strategic Director (attached)
- 10 Health and Safety Update. Presentation by the Health and Safety Advisor

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

Declaration of Interests

Corporate Governance Committee

- Members of Somerset County Council – Councillors Govier, Henley and Paul
- Employee of Somerset County Council – Councillor Mrs Smith

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 30th June 2009

INTERNAL AUDIT PLAN – PROGRESS REVIEW

REPORT OF THE GROUP AUDITOR (South West Audit Partnership) This matter is the responsibility of Councillor Henley, the Leader of the Council.

EXECUTIVE SUMMARY

This report highlights significant findings and recommendations that have occurred since the Committee last considered the findings of Internal Audit reports in May 2009.

1. Purpose of Report

To provide members with an update on the activities of the Internal Audit team for the period May 2009 to June 2009.

2. Work undertaken by Internal Audit May to June 2009

Operational Audits - Operational audits are a detailed evaluation of a service or functions control environment. A risk evaluation matrix is devised and controls are tested. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated. For Operational Audits SWAP aim to provide management and Members with a level of assurance on the robustness of the internal control environment. The following categories of assurance have been agreed:

<p>▲ ★ ★ ★ Full Assurance</p>	<p>The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively at all times and risks against the achievement of objectives are well managed.</p>
<p>▲ ★ ★ ★ Reasonable Assurance</p>	<p>Most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives</p>
<p>▲ ★ ★ ★ Partial Assurance</p>	<p>Most of the areas reviewed were not found to be adequately controlled. Generally risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>
<p>▲ ★ ★ ★ No Assurance</p>	<p>The areas reviewed were found to be inadequately controlled. Risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.</p>

The following operational audit has been finalised since the Committee last met in May 2009 as below:-.

Audit area	Audit Opinion
Treasury Management	▲ ★★ ★ Partial Assurance
Council House Sales	▲ ★★ ★ Full Assurance
Council Tax	▲ ★★ ★ Reasonable Assurance

Treasury Management

The opinion has been graded as partial based upon the evidence examined at the time of the audit. However, I can confirm from information provided and actions undertaken at the time of the audit that management have agreed an action plan to address the remaining issues that were identified during the audit.

It is worth mentioning that despite some organisations losing capital during the ongoing credit crisis that Taunton Deane's prudent approach has meant that all of its investments have been protected.

Furthermore the key documents required by the regulations were all found to be in place and Treasury Management is regularly monitored through reports to the Executive as well as through performance indicators within the Southwest One contract.

However the recent loss of the Principal Accountant has affected the delivery of some aspects of the service and there are instances where audit trail and documentation held needs to be improved.

Significant weaknesses were identified in the following areas:-

- The review of Treasury Management Policies (TMPs) needs to be completed and signed off. This needs to include the split of responsibilities across the Council and Southwest One and the new staffing arrangements. Management Response : SouthWest One will amend the TMPs once the new staffing structure is in place for the Finance shared service centre which will in future be responsible for Treasury functions, to be completed by end September 09.
- The Counterparty listing is not currently version controlled. The reintroduction of approved investments following the temporary suspension of the Counterparty listing following the credit crisis is not being documented. Management Response : We plan to create a separate page on the Counterparty spreadsheet each time a change is made in order to maintain an audit trail.

- All members of the Treasury Management Team have access to the Treasury Management folders and files. Management Response : This will be completed once the shared service centre has been set up.
- One of the Treasury Management Performance indicators was calculated incorrectly for 2 quarters. Management Response : It has been agreed that Southwest One will audit the calculation of all performance indicators in the future. Clarification has been sought over the calculation of this indicator and actual performance recalculated correctly.
- Following the departure of the Principal Accountant additional responsibilities have been allocated to the team and cover arrangements for Treasury Management have been reduced. Management Response : This will be covered as part of Southwest One's set up of the Shared Service centre planned for 2009/10.

Council House Sales

The review did not reveal any significant weaknesses in the controls operating surrounding the sale of Council Houses during 2008/09.

Council Tax

Although there were some weaknesses identified I am confident that management are addressing the key areas of risk and that further progress will be made to bring about improvements in the overall control framework.

The main issues raised and management responses are as follows:-

- There is no contract currently in place with the bailiffs used for collection purposes. Management Response : It would be likely that to be able to put a formal bailiff contract in place for bailiffs it would be necessary to undergo a formal tendering exercise. We will investigate carrying out such an exercise. However given the amount of work this would involve this would not be undertaken in 2008/09 and would instead be put forward for inclusion in our 2009/10 operational plan.
- There are no set procedures for authenticating Council Tax callers. Management Response : Agreed this needs to be dealt with as a corporate rather than on a section by section basis. We would welcome such corporate guidance and would be very happy to participate in its creation.

Managed Audits

Main Accounting

The audit review has identified five areas of weakness. The impact of the SAP implementation at the time that testing was undertaken resulted in additional pressures being put on the Finance Team. It was pleasing to note that throughout the course of the audit review, Finance staff demonstrated a willingness to resolve all areas of weakness.

The main areas where management should focus their attention are:

- Ensuring carry forward balances are entered correctly in the FMS.
- The Creditors Imprest account is promptly investigated and reconciled regularly.
- The process for authorising journals should be reviewed during the implementation of SAP.
- Credit card purchases should be subject to appropriate management checks to allow a division of duties over expenditure and reconciliation of transactions.
- IT issues re system administration and leaver protocols are resolved through the implementation of SAP.

An Audit Close out meeting was held to discuss the control weaknesses. I am pleased to report that all significant areas of weakness have now been resolved and the remaining issues were picked up as part of SAP implementation or were of an administrative nature.

Capital Accounting

The review identified that the Council has to revisit its money laundering policy and improve the level of detail on the Council's Asset Register. Otherwise, the majority of the key controls are operating as expected with only some minor improvements required in strengthen the internal control environment.

3. Workload Update

Although there are a substantial number of reports at draft stage management are in the process of responding to these and final reports will be issued shortly and the findings shared with this committee.

In addition to the audit work detailed below there are a number of other areas of work that SWAP have undertaken including the on-going provision of audit advice, ad-hoc special investigations and involvement in the SAP project providing advice and guidance on control issues.

The following reviews are in progress or are going through the reporting process :-

Audit area	Type of review	Progress
Procurement	Operational Review	Draft Report
Transport Policy	Operational Review	Draft Report
Partnership Arrangements	Operational Review	Testing
IT Audit - Compliance against ISO27002 level one	Computer Audit	Draft Report
IT Audit – Social Networking	Computer Audit	Final Report
IT Audit – Disaster Recovery Planning	Computer Audit	Draft Report
Payroll	Managed Audit	Draft Report
Absence Management Qtr 1	Governance Audit	Testing
Information Management Qtr 1	Governance Audit	Draft Report
Fees and Charges Qtr 1	Governance Audit	Testing
Pest Control Qtr 1	Operational Review	Testing
Food Safety Qtr 1	Operational Review	Testing

4. Recommendation

The Committee should note the content of this report.

Contact Officer:-

Chris Gunn - Group Auditor – South West Audit Partnership
01823 356417 chris.gunn@southwestaudit.gov.uk

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 30TH JUNE 2009

Report of Strategic Director (Shirlene Adam)

(This matter is the responsibility of the Leader of the Council Cllr Henley)

ANNUAL EXTERNAL AUDIT FEE 2009/10

EXECUTIVE SUMMARY

This report is **for information only** and sets out the proposed external audit fees for 2009/10, and indicative timescales for the audit work..

1. Purpose of Report

- 1.1 To share details of the external audit fees, and the focus of the external audit work for 2009/10 with members of the Corporate Governance Committee.

2. The Details

- 2.1 Historically, the annual external audit and inspection plan has been shared with members of this committee. This year, the audit commission have separated this information in to two separate letters to the Council. The external audit details are managed by the District Auditor, and the inspection plans are managed by the Inspection division of the Commission.
- 2.2 The external audit fee letter is attached at Appendix A. The proposed audit fees are within the Councils approved budget.
- 2.3 The inspection fee letter is still under discussion and will be shared at the next meeting of this committee.

3. Recommendation

- 3.1 Members of the Corporate Governance Committee are requested to note the information provided re 2009/10 external audit work.

Contact Officer:

Shirlene Adam
Strategic Director
01823 356310



27 March 2009

Ms S Adam
 Strategic Director
 Taunton Deane Borough Council
 Deane House
 Belvedere Road
 Taunton
 Somerset

Direct line 01823 273178

Dear Shirlene

Annual audit fee 2009/10

Further to our discussions, I am writing to confirm the audit work that we propose to undertake for the 2009/10 financial year at Taunton Deane Borough Council Council. The fee:

- is based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2009/10; and
- reflects only the audit element of our work, excluding any inspection and assessment fees. Your Comprehensive Area Assessment Lead will be writing to you separately on these fees on behalf of the other inspectorates.

As I have not yet completed my audit for 2008/09, the audit planning process for 2009/10, including the risk assessment will continue as the year progresses and fees will be reviewed and updated as necessary.

The total indicative fee for the audit for 2009/10 is for £105,800, which compares to the planned fee of £98,182 for 2008/09. A summary of this is shown in the table below.

Audit fee

Audit area	Planned fee 2009/10	Planned fee 2008/09
Financial statements	72,184	64,421
Use of Resources/VFM Conclusion [including risk based work]	31,400	29,561

WGA	2,016	2,200
Total audit fee	105,600	96,182

The Audit Commission has published its work programme and scales of fees 2009/10. The scale fee for Taunton Deane Borough Council is £111,438, which is £5,838 more than our proposed fee.

In setting the fee at this level, I have taken account of the risks associated with the introduction of new financial systems associated with the implementation of SAP from April 2009. A separate plan for the audit of the financial statements will be issued in December 2009. This will detail the risks identified, planned audit procedures and any changes in fee. If I need to make any significant amendments to the audit fee during the course of the audit, I will first discuss this with you and then prepare a report outlining the reasons why the fee needs to change for discussion with the Corporate Governance Committee.

My use of resources assessments will be based upon the evidence from three themes:

- Managing finances;
- Governing the business; and
- Managing resources.

The key lines of enquiry specified for the assessment are set out in the Audit Commission's work programme and scales of fees 2009/10. My work on use of resources informs my 2009/10 value for money conclusion. However, I have identified a number of significant risks in relation to my value for money conclusion. For each risk, I consider the arrangements put in place by the Council to mitigate the risk, and plan my work accordingly. My initial risk assessment for value for money audit work is shown in the table below:

Risk	Planned work	Timing of work
Medium term financial plan - funding gap.	We will review the Council's plan for dealing with the financial pressures on its General fund monitor progress throughout the year, as part of our work on Use of Resources.	March 2009– September 2009
Implementation of SAP from April 2009	We will document all the new material information systems in 2009/10 and carry out testing on the key controls in each of	December 2009– May 2010

	these.	
Core Council review	We will assess the impact of the review on the council's capacity as part of our work on Use of Resources.	March 2009– September 2009
International financial reporting standards (IFRS)	We will review the Council's preparations for the full implementation of IFRS from 2010-11.	December 2009 – September 2010

I will issue a number of reports relating to my work over the course of the audit. These are listed at Appendix 1.

The above fee excludes work the Commission may agree to undertake using its advice and assistance powers. Each piece of work will be separately negotiated and a detailed project specification agreed with you.

The key members of the audit team for the 2009/10 are:

Audit Manager – Terry Bowditch 01823 273178

Team Leader – Stephen Clarke

I am committed to providing you with a high quality service. If you are in any way dissatisfied, or would like to discuss how we can improve our service, please contact me in the first instance. Alternatively you may wish to contact the South West Head of Operations, Bill Sanderson (b-sanderson@audit-commission.gov.uk).

Yours sincerely

Brian Bethell
District Auditor

cc Ms P James, Chief Executive
cc Mr J Williams, Chair, Corporate Governance Committee

Appendix 1: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Corporate Scrutiny Committee.

Table 1

Planned output	Indicative date
Audit plan	December 2009
Annual governance report	September 2010
Auditor's report giving the opinion on the financial statements and value for money conclusion	September 2010
Use of resources report	October 2009
Final accounts memorandum (to the Head of Finance)	October 2010
Annual audit letter	November 2010

21 April 2009

Ms S Adam
Strategic Director
Taunton Deane Borough Council
Deane House
Belvedere Road
Taunton
Somerset

Direct line 01823 273178

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South West Audit Partnership
Internal Audit Report

Housing Repairs 2007/2008

Scott Freeborn

January 2009

South West Audit in Partnership with



Management Summary

Housing Repairs is the system used to ensure the Council's Housing Stock is maintained to a safe standard for tenants. Various repairs are carried out, including those covered by the Right to Repair scheme. This covers small urgent repairs which if not carried out within a specified period is likely to jeopardise the health, safety or security of the tenant. The regulations set out which repairs are included in the scheme. Most repairs are carried out at the expense of the Council, however, damage caused by misuse or neglect are recharged to the tenant.

Annual expenditure on Repairs and Maintenance work for 2007/08 in total 4,382m of which approximately £ 1.344m was in respect of general maintenance.

The repairs are carried out by either staff in the DLO Building Maintenance section based at the Priory Depot in Taunton, or specialist contractors, and administered by staff at the DLO.

In essence, the Housing Repairs section has a long term relationship with Deane DLO to provide the practical delivery of the Housing repair service, a client - contractor relationship.

On the client side there is one manager, 4 repairs assistants, 1 admin assistant and 1 clerical assistant. These officers act as the initial point of contact with the tenant, identify the works required, the priority, and whether the tenant is required to pay for the costs incurred. These are supported by 2 Technical/Quantity Surveyors and 3 Clerks of Works who respectively assess and determine the nature & value of works required, and ensure the works as completed are performed satisfactorily.

With the devolved responsibility for works to the DLO the technical capability in the form of the surveyors and other professional skills has remained with the client-side. There is a working practice where surveyors will liaise and assist the DLO manager as and when required as if they are still within a directly managed Housing repairs service.

The audit when testing the system of controls has identified a number of issues as addressed in the body of the report following. Taken overall, the number and type of recommendations arising whilst individually not being show-stoppers give indication that management attention is required to improve this service area,

This particular audit has had a long gestation period and during the period between the initial field work and agreeing the final report the issues identified have been positively addressed and as a consequence several of the recommendations reported have already been completed are well in-hand.

Consequently, I am able pleased to be able to revise the initial audit assessment of 'Partial' assurance to 'Reasonable' assurance in recognition of the work undertaken to resolve the issues identified.

Audit Opinion ▲ ★ ★ ★ Full ▲ ★ ★ Reasonable ▲ ★ ★ Partial ▲ ★ ★ No

▲ ★ ★ I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

The common theme perceived from the original findings of this review is that whilst the job is being done there has not been sufficient close management attention been paid to the detailed evaluation, documentation and agreement of procedures to be followed to undertake the varying tasks required. Without this 'benchmark' management is reduced to making general assurances that cannot be readily evidenced about the delivery of the service significantly limiting the amount of assurance that can be given.

However, the positive actions undertaken by the Housing Property Manager to mitigate the identified risks has enabled the audit assessment to be revised upwards providing management with a higher level of assurance. As part of this process, the risk assessment recommendations reported at draft stage have been reviewed and some have been revised from Medium to Low. Normally, 'Low' risk recommendations will not be reported, but in this instance have been retained to evidence the actions that have been taken.

PARTICULARLY GOOD ASPECTS OF THE SERVICE INCLUDE:

- Policies and procedures in place defining Taunton Deane's role and responsibilities for repairs and maintenance as a responsible social landlord.
- Contract placement process performed in accordance with Authority's Standing Orders and Financial regulations
- Satisfactory monitoring of Works and budget/actual costs

MATTERS BROUGHT TO MANAGEMENT ATTENTION INCLUDE:

- 1. Employees involved in the procedures should have a copy of the office manual for reference.**
 - 1.1. *No office procedure manual for day to day activities - **Completed***
 - 1.2. *No Procedure manual for IS systems used. – **Completed***
- 2. Personnel/Payroll should be promptly informed when casual staff join and leave with appropriate joiner/leaver forms being completed to add/delete from payroll as appropriate.**
 - 2.1. *No formal procedure in place to manage termination/transfer of employees to ensure recovery of ID passes etc - **Completed.***
- 3. A formal training process should be in place for all staff. Staff should maintain PDP's in agreement with the service manager.**
 - 3.1. *Annual PRED staff review process is overdue. **Agreed – will be done***
- 4. Managers and staff are aware of their responsibilities under the Health and Safety at Work Act 1974.**
 - 4.1. *No risk register available for reference – review. **Copy obtained and placed in Office Manual***
- 5. An inventory is maintained which consists of all equipment and furniture held.**
 - 5.1. *There is no inventory. There are also issues over responsibility for items following client – DSO split. - **Completed***
- 6. On completion of the work, the tenant should be required to sign the works order to confirm that the work has been carried out.**

- 6.1. *Confirmation that works completed as per job ticket not always obtained.*
- **Agreed**
7. **Where rechargeable work is undertaken, payment in advance should be required wherever possible, or a form confirming acceptance of the recharge, should be signed before work is carried out.**
A clause should be included in the tenancy agreement that tenants will be liable for any damage caused by them.
- 7.1. *Recharge procedures failing to recover due amounts.* - **Agreed**
- 7.1. *Confirmation of liability for recharge not obtained from tenant.* - **Agreed**
8. **Tenants should be made aware of the correct procedure for reporting faults and where applicable the payment/ recharging for the work carried out.**
- 8.1. *Guidance to tenants for rechargeable works does not instruct them that only invoices from the Council should be accepted.* – **Agreed**
9. **The housing unit should immediately inform the repairs unit of all ‘new’ and all sales and disposals and system updated in order that, for example, programmed work schedules may be amended accordingly.**
- 9.1. *Property Stock Records not up to date – risk of work to non-council properties.*
- **Completed**
10. **The repairs and maintenance system should record the following for each property: age, condition, fitted equipment e.g. gas fires, etc, date of work carried out, name of contractor, details of work, cost of work, any planned maintenance work due.**
- 10.1. *Deficiencies in records allow possibility of reactive repairs being performed on units scheduled for programmed maintenance.* - **Agreed**
11. **A Contingency plan is maintained and is regularly updated**
- 11.1. *There is no DR contingency plan identifying DLO role in the event of major civil emergency.* - **Agreed**

Audit Objectives

This review sought to establish whether:

- Procedures are operated in accordance with legislation and the organisation’s agreed policy
- An office manual exists and procedures are operated in accordance with it
- All repairs are legitimate and appropriate and there is documentary evidence to support all repairs and maintenance transactions
- The repairs unit property records are kept up to date
- All relevant records are updated to record repairs and maintenance transactions
- The recorded assets are periodically agreed with an independent source
- All repairs and maintenance work is correctly calculated and valued
- All repairs and maintenance transactions are initiated and recorded promptly
- All records should be protected against loss or unauthorised access.

Matters for attention

1. Employees involved in the procedures should have a copy of the office manual for reference.

- 1.1. After discussions with the Housing Property Manager It was established that the Repairs management computer system was significantly upgraded in the last year, and that whilst operating satisfactorily at the time of intial review it was still in it's bedding-in phase. As a consequence at that time there were no office manuals detailing the procedures to follow for day to day activities. Without these there can only be limited management assurance that all processes are being carried out in the expected manner consistently. In the period following the initial review all repairs staff have received training in use of the system. A manual has been prepared and made available to all staff based upon training documentation supplied by Academy, the system provider, giving clear procedural guidance on the completion of all required tasks. The master copy of which is held in the housing Property Manager's office for update and modification when required. In addition, employees do not have a copy of the office manual for the new IT system. It was noted with the impending implementation of SAP there is to be further change, and staff need to be instructed in the correct way to perform IS related task so that they and management can be confident they are completed correctly, and efficiently.

The initially identified risk that staff to not know the correct way to carry out tasks leading to inconsistent practices has been proactively addressed by the Housing Property Manager and .

The following recommendations have been addressed by the Housing Property manager by the development and introduction of a staff maual that not only, as above details the operational rcedures for Housing repairs staff to follow but also includes reference to more general aspects of the operation and management of the services provided.

- 1.1a I recommend that the Housing Property Manager ensures that an office manual is produced and a copy made available to all staff.**

– Recommendation implemented

- 1.1b I also recommend that the Housing Property Manager ensures that a copy of the office manual for the IT system is readily available to relevant staff members.**

– Recommendation implemented

2. Personnel/Payroll should be promptly informed when casual staff join and leave with appropriate joiner/leaver forms being completed to add/delete from payroll as appropriate.

- 2.1. The procedure for returning keys, ID passes, car park passes, etc for officers leaving the Council's employment or transfer to another section was discussed with the Housing Property Manager. At that time it was established that there is no written procedure for this within the Council and relies on individual managers being aware of the items in the officer's possession and then retrieving the items before the officer departs. Subsequent to the initial

meetings the Housing Property Manager has developed and prepared a comprehensive file providing guidance on processes and procedures to be followed not only when a member of staff leaves the authority but also for use when a new member of staff joins. This, augmented as required for more detailed aspects from the Council's intranet, provides a comprehensive procedure to be followed when required.

The initially identified a risk that important items may not be returned when a member of staff leaves the Council has been positively addressed..

2.1a I recommend that the Housing Property Manager writes and implements a procedure to follow which ensures that items such as ID badge, car park pass, etc, are returned when a member of staff leaves the Council.
– Recommendation Implemented

3. A formal training process should be in place for all staff. Staff should maintain PDP's in agreement with the service manager.

3.1. This was discussed with the Housing Property Manager. The Council's system (PREDS) is used. This is an appraisal process during which staff and managers are able to identify any training needs and personal development is encouraged.

This is supposed to be re-performed every 12 months; however, the Housing Property Manager confirmed that this is now overdue for all his staff.

There is therefore a risk that staff may be inadequately trained to carry out their duties.

3.1a I recommend that the Housing Property Manager carries out PREDS for all staff in accordance with the Council's policy.
– Recommendation Agreed. Complete by April 2009

4. All activities have been risk assessed and documented. There is a Procedure for assessing new activities. Managers and staff are aware of their responsibilities under the Health and Safety at Work Act 1974.

4.1. Risk workshops were carried out for all services within Taunton Deane Borough Council in order that corporate and service specific risks were identified and managed. A copy of the latest risk assessment for the service has been placed into the newly created Office Manual and is readily available for reference by the Housing Property Manager. It was observed that getting on for three years has passed from its original creation but there was evidence that the schedule had been reviewed and the assessed risk factors updated.

4.1a I recommend that the Housing Property Manager ensures that a risk register is kept and updated regularly.
- Recommendation Agreed. Completed.

5. An inventory is maintained which consists of all equipment and furniture

held.

- 5.1. The Housing Property Manager informed us that there is no inventory held by the section. There is also the question of who is responsible for what with the client - DSO split. An inventory should have been completed at the time identifying those items used by client side staff and those with the DSO, and responsibility for their care thereafter established. Following the audit fieldwork an inventory has been prepared and placed into the newly created office manual.

There is therefore a risk that the Council's assets are not safeguarded against loss or theft.

- 5.1a **I recommend that the Housing Property Manager prepares an inventory of all assets held by the section.**
- Recommendation Agreed. Completed

- 6. On completion of the work, the tenant should be required to sign the works order to confirm that the work has been carried out.**

- 6.1. After discussions with the Works Coordinator I was informed that the tenant is not required to sign the works order to confirm that the work has been carried out. This is because the tenant is not always there when the work is completed. The Job ticket as issued to the contractor does, however, have a section pre-printed where the tenant is expected to sign to affirm that the work has been completed.

This causes several risks for the Council. There is a reputational risk that the Council say they have carried out work but tenant says they have not.

There is a risk that the Council are not aware if work is not being completed and as a result no steps are taken to ensure this does not happen again.

There is a risk to the health and safety of the tenant if the work is not carried out to a satisfactory standard.

- 6.1a **I recommend that the Housing Property Manager ensures that on completion of the work, the tenant is required to sign the works order to confirm that the work has been carried out.**
- Recommendation Agreed.

- 7. Where rechargeable work is undertaken, payment in advance should be required wherever possible, or a form confirming acceptance of the recharge, should be signed before work is carried out. A clause should be included in the tenancy agreement that tenants will be liable for any damage caused by them.**

- 7.1. To test the operation of the rechargeable works process a sample of 20 recharges were taken from a report containing a list of recharges for the year.

From the sample it was noted that although the correct procedures have been followed, only 4 of the bills had been paid in full. For the outstanding cases for

some there was a mixture of evidence showing the stage in the recovery process reached or a narration with a reason for not pursuing recovery. This left 2 of the sampled cases with no supporting narrative explaining what steps or why recovery not completed.

It was also noted that 9 of the recharges sampled that had invoices sent to the customer, no form confirming acceptance of the recharge was signed by the tenant before the work was commenced was held on file. Whilst it is clear from the tenants terms and conditions in the tenants handbook that cost for certain works are recoverable there are on occasion issues at the point in time when the works are undertaken.

Where a tenant indicates that they wish the Council to undertake the rechargeable repair they are clearly advised that they will be invoiced for the cost. This normally is done by phone as typically the nature of the work is 'urgent' i.e. a broken window or door.

A job order and a letter to be signed by the tenant acknowledging the debt is then generated and a tradesman attends. On arrival the tradesman seeks to get the tenant to sign the letter acknowledging that they will be responsible for the cost.

However, despite earlier verbal assurances on the phone, not all tenants will sign the letter. The tradesman then has to assess the situation and determine whether declining to do the work will conflict with the Council's social landlord responsibilities – i.e. that the property is safe and secure. On occasion, the tradesman will determine that works have to be carried out to meet this requirement despite a refusal to sign the acknowledgement letter. In these instances the bare minimum of work required will be performed to meet landlord obligations. This is recorded on the job sheet by the tradesman.

On completion of the works the cost is identified and a sundry debtor account is raised upon the tenant. This is not done by the Repairs service but is handled via Taunton Deane's corporate Debtor's system. As indicated above, recovery where the tenant refuses to acknowledge their responsibility only meets with limited success. Where the amount due is not paid the case is referred over to an estates officer to pursue as part of tenancy management. Often times the tenants involved have other 'issues' and recovery is not likely, and ultimately the account is, pragmatically, written off.

The issue of the tenant not being willing to sign acknowledging responsibility for paying for works can be in part addressed by a simple change in procedures. At the time of receiving the request the repairs assistant specifically advises the tenant that by requesting the work be done they are accepting liability for all payments due, and that this will be confirmed in writing. This then is reinforced at the time of the tradesman's visit by handing over a letter recording their agreement, at such and such date and time, to be responsible for the costs incurred. This letter then need not be signed.

There is a risk that difficulties may occur in recovering the cost of rechargeable works as tenants may refute liability for the charge.

There is a risk that the Council suffers a financial loss from a failure to adequately pursue and recover costs incurred on works where the tenant is liable for the expenditure.

7.1a I recommend that Housing Property Manager reviews the process of undertaking rechargeable work to ensure that it is cost effective to the Council.

- Recommendation Agreed. Target for completion June 2009.

7.1b I recommend that the Housing Property Manager reviews the letter taken by the tradesman attending a rechargeable works.

- Recommendation Agreed. Target for Completion June 2009.

8. Tenants should be made aware of the correct procedure for reporting faults and where applicable the payment/ recharging for the work carried out.

8.1. I was able to affirm that the tenants Handbook sets out both the Council's and tenants responsibilities in respect of repairs to council properties. The handbook correctly states that where the Council carries out repairs that are the tenant's responsibility they will be required to pay the full cost incurred by the Council to do the necessary works.

Equally, the handbook informs tenants that they should normally seek to get repairs they are responsible for performed themselves at their own expense.

The handbook does not inform the tenant that the Council, not the contractor, will invoice the tenant for the cost incurred. After discussion with the Housing Property Manager it was noted that tenants are not instructed to report immediately any cases where an employee or contractor has demanded payment direct.

There is a risk that 'vulnerable' tenants may 'pay twice' for a completed works order. Once 'correctly' on receipt of a rechargeable works invoice from the Council, and, twice, by making a cash payment to the workmen. The Council could suffer reputational damage should it be discovered that has occurred with contractors, or DSO tradesmen, sent by TDBC to do the repair.

This has been addressed by the housing Property Manager and revisions are in the process of being agreed for insertion in the new Tenants handbook to be issued by April 2009.

8.1a I recommend that the Housing Property Manager ensures the tenants' handbook is updated to include a statement that tenants will be invoiced for any rechargeable works and to report immediately any cases where an employee or contractor has demanded payment direct.

- Recommendation Agreed. In hand, target for Completion April 2009.

9. The housing unit should immediately inform the repairs unit of all 'new' and all sales and disposals and system updated in order that, for example, programmed work schedules may be amended accordingly.

9.1. The Housing Repairs Unit receives a weekly report by e-mail notifying it of acquisitions, sales and disposals of housing rental stock. Using this

information the Academy system is manually updated. A pop up is displayed after the sold property's details are entered onto academy informing Repairs Unit the users that the property has been withdrawn from the Housing Stock and that no future amendments/works actions are allowed.

Where a property is known to be in the process of disposal the Housing Repairs Manager is informed on the above weekly report in order that the dwelling can be excluded from any planned maintenance programme. This information is recorded into the Academy system and should a repairs request be received prior to completion of the disposal the nature of the works requested reviewed to ensure it truly is a reactive essential repair, not refurbishment sought prior to selling.

A random sample of five properties disposed of in 2007-8 was taken and two were found not to be frozen on the repairs system. Whilst the finding cannot in itself be statistically meaningful, given the relatively low numbers of disposals annually from the HRA stock, finding any errors indicates there are flaws in the current process that need addressing.

There is a risk that work may be carried out on properties no longer owned by the organisation.

9.1a I recommend that the Housing Property Manager ensures that the housing unit immediately updates Academy system of all sold and completed right to buy applications.

- Recommendation Agreed. Implemented and completed.

10. The repairs and maintenance system should record the following for each property: age, condition, fitted equipment e.g. gas fires, etc, date of work carried out, name of contractor, details of work, cost of work, any planned maintenance work due.

10.1. From discussion with the Housing Property Manager and staff within the service it was established that a manual list of pre-planned maintenance or refurbishment work is given to housing repairs staff. The purpose of this list is so that officers responsible for responding to requests for repairs from tenants are aware of what is planned and no conflicting reactive repairs are carried out. However, it is unlikely that staff will remember every property on the list and therefore there is a risk that inappropriate reactive repairs are carried out at a cost to the Council. The new property management system has a notepad facility and this could be used to record key data such as this and provide repairs staff with a more assured method of ensuring that unnecessary repairs expenditure is avoided.

Following previous audit discussions the Housing Property manager has instituted a process where planned maintenance programmes will be appended into the repairs database and flagged to ensure reactive work requested does not conflict with planned work due. This will augment the comprehensive information already stored in the repairs database for each property.

10.1a I recommend that the Housing Property Manager arranges for the facility to include details of pre-planned maintenance or refurbishment work and ensures that this is used by staff.

- **Recommendation Agreed. Procedures put in place.**

11. A Contingency plan is maintained and is regularly updated

11.1. Taunton Deane has in place a number of contingency plans that can be brought into play in the event of a disaster or civil emergency. From a housing repairs and maintenance perspective this has not been cascaded down to determine how these will impact on the delivery of a housing repairs service in the event of a disaster. For example in the event of flooding resources would be diverted to address this leaving reduced or little cover to deal with other emergency repair work to other housing stock. There is therefore a risk that the minimum essential service cannot be provided in the event of a disaster within the Borough.

11.1a I recommend that the Housing Property Manager writes a contingency plan to cover the Housing Repairs service and how it is to be deployed in the event of a disaster or civil emergency.

- **Recommendation Agreed. Corporate emergency/contingency plans being reviewed and service has input to this process.**

Level of Discussion

Main discussions took place with:

Tim Haynes, Housing Property Manager
Janet Foukrache, Works Coordinator

I would like to record my thanks to these officers and others whose help and co-operation has been appreciated.

Scott Freeborn Paula Camp
Principal Auditor Senior Auditor
January 2009

Report Ref.	Recommendations	Risk Assess H/M/L	Agreed	Comments	Responsibility for Action	Target Date
1.	Employees involved in the procedures should have a copy of the office manual for reference.					
1.1a	I recommend that the Housing Property Manager ensures that an office manual is produced and a copy made available to all staff.	M	Agreed	A manual has been prepared and made available to staff. This will be periodically reviewed and kept up to date.	Tim Haynes	Completed
1.1b	I also recommend that the Housing Property Manager ensures that a copy of the office manual for the IT system is readily available to relevant staff members.	M	Agreed	A manual has been prepared and made available to staff. This will be periodically reviewed and kept up to date.	Tim Haynes	Completed
2.	Personnel/Payroll should be promptly informed when casual staff join and leave with appropriate joiner/leaver forms being completed to add/delete from payroll as appropriate.					
2.1a	I recommend that the Housing Property Manager writes and implements a procedure to follow which ensures that items such as ID badge, car park pass, etc, are returned when a member of staff leaves the Council.	M	Agreed	A comprehensive office manual has been created including procedural guidance for both starters and leavers.	Tim Haynes	Completed
3.	A formal training process should be in place for all staff. Staff should maintain PDP's in agreement with the service manager.					
3.1a	I recommend that the Housing Property Manager carries out PREDs for all staff in accordance with the Council's policy.	M	Agreed	All staff will receive a PRED review. These will be scheduled to reflect current restructuring and period since last review.	Tim Haynes	April 2009

Report Ref.	Recommendations	Risk Assess H/M/L	Agreed	Comments	Responsibility for Action	Target Date
4.	<p>All activities have been risk assessed and documented. There is a Procedure for assessing new activities. Managers and staff are aware of their responsibilities under the Health and Safety at Work Act 1974.</p>					
4.1a	I recommend that the Housing Property Manager ensures that a risk register is kept and updated regularly.	L	Agreed	Service risk register will be periodically revisited and updated as necessary	Tim Haynes	Completed
5.	<p>An inventory is maintained which consists of all equipment and furniture held.</p>					
5.1a	I recommend that the Housing Property Manager prepares an inventory of all assets held by the section.	L	Agreed	This has been done and included in the office manual.	Tim Haynes	Completed
6.	<p>On completion of the work, the tenant should be required to sign the works order to confirm that the work has been carried out.</p>					
6.1a	I recommend that the Housing Property Manager ensures that on completion of the work, the tenant is required to sign the works order to confirm that the work has been carried out.	M	Agreed	Where ever possible try to obtain a signature from tenant, procedures will be reviewed to require tradesman to indicate why signature was not obtained.	Tim Haynes	Completed
7.	<p>Where rechargeable work is undertaken, payment in advance should be required wherever possible, or a form confirming acceptance of the recharge, should be signed before work is carried out. A clause should be included in the tenancy agreement that tenants will be liable for any damage caused by them.</p>					
7.1a	I recommend that Housing Property Manager reviews the process of undertaking rechargeable work to ensure that it is cost effective to the Council.	M	Agreed	A pro-forma invoice is issued in advance where possible to collect income before work performed. Where no income after 4 weeks will refer to Estates management to determine whether tenant	Tim Haynes	June 2009

Report Ref.	Recommendations	Risk Assess H/M/L	Agreed	Comments	Responsibility for Action	Target Date
				has undertaken work or not, and whether work has to be done as part of landlord's responsibilities.		
7.1b	I recommend that the Housing Property Manager reviews the letter taken by the tradesman attending a rechargeable works.	L	Agreed	Will look into wording of letter to determine whether it is necessary to get tenant to sign at time agreeing to pay costs, thus avoiding potential confrontational issues for tradesman attending when signature refused.	Tim Haynes	June 09
8.	Tenants should be made aware of the correct procedure for reporting faults and where applicable the payment/recharging for the work carried out.					
8.1a	I recommend that the Housing Property Manager ensures the tenants' handbook is updated to include a statement that tenants will be invoiced for any rechargeable works and to report immediately any cases where an employee or contractor has demanded payment direct.	L	Agreed	Amendments to the new look tenants handbook are in the process of being implemented	Tim Haynes	April 2009
9.	The housing unit should immediately inform the repairs unit of all 'new' and all sales and disposals and system updated in order that, for example, programmed work schedules may be amended accordingly.					
9.1a	I recommend that the Housing Property Manager ensures that the housing unit immediately updates Academy system of all sold and completed right to buy applications.	L	Agreed	This has been implemented	Tim Haynes	Completed

Report Ref.	Recommendations	Risk Assess H/M/L	Agreed	Comments	Responsibility for Action	Target Date
10.	The repairs and maintenance system should record the following for each property: age, condition, fitted equipment e.g. gas fires, etc, date of work carried out, name of contractor, details of work, cost of work, any planned maintenance work due.					
10.1a	I recommend that the Housing Property Manager arranges for the facility to include details of pre-planned maintenance or refurbishment work and ensures that this is used by staff.	L	Agreed	Processes have been put in hand to ensure the housing property database is up to date for planned / programmed maintenance to ensure reactive work requests do not conflict. A formal review of the operation for its first year of the system between TDBC and the supplier is to be completed by June 2009.	Tim Haynes	Rolling process.
11.	A Contingency plan is maintained and is regularly updated					
11.1a	I recommend that the Housing Property Manager writes a contingency plan to cover the Housing Repairs service and how it is to be deployed in the event of a disaster or civil emergency.	M	Agreed	The TDBC corporate contingency/emergency plans is currently in process, and input in respect of the service has been provided as part of this.	Tim Haynes	As rolled out corporately.

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE, 30 JUNE 2009

REPORT OF THE STRATEGIC FINANCE OFFICER

This matter is the responsibility of Executive Councillor Henley (Leader of the Council)

STATEMENT OF ACCOUNTS 2008/09

EXECUTIVE SUMMARY

The Annual Statement of Accounts for 2008/09 is required to be approved by the Corporate Governance Committee. To promote debate on the Annual Accounts, the Strategic Finance Officer and Temporary Accountant will make a brief presentation on the Accounts and will be available to answer any questions that the Committee may have.

1 Purpose

- 1.1 To obtain the Committee's approval of the annual Statement of Accounts as signed by the Strategic Director.

2 Background

- 2.1 Under the Accounts and Audit Regulations the Statement of Accounts is required to be approved by a resolution of a nominated committee. The current constitutional arrangements allocate this responsibility to the Corporate Governance Committee. In addition to being signed by the Council's S151 officer (the Strategic Director), the annual accounts have to be signed by the Chair of the Council Committee that approves those accounts. This responsibility therefore falls upon the Chair of this Committee.
- 2.2 The existing legislation requires the 2008/09 Statement of Accounts to be formally approved by Members by the end of June.
- 2.3 The 2008/09 Accounts presented this evening are subject to audit, which will shortly be undertaken by the Audit Commission. The Accounts presented are complete, subject to the Auditors Opinion. The Council's external auditor will be present during the debate on the accounts.

3 Statement of Accounts

- 3.1 The format of the Annual Accounts has not changed substantially from the previous year with only some technical accounting amendments when compared to last year. These changes do not have an impact on the "bottom line" of the Council but are necessary to ensure compliance with the mandatory CIPFA Statement of Recommended practice on Local Authority Accounting.

3.2 Members' attention is drawn to the fact that there has been a change to the Income and Expenditure Account since the outturn report was presented arising from a technical issue concerning the phasing of payments for the Transformation Project. The agreed payment phasing was changed after the 2008/09 budget was approved with the result that £372,000 more was spent in 2008/09 than was included in the budget. Conversely £372,000 less than budget will be spent in 2009/10. When the outturn report was prepared it was assumed that this timing difference could be treated as a prepayment and would not therefore impact on the outturn. In the event it has not proved possible to obtain sufficiently robust evidence to support the prepayment and it is therefore necessary to charge the £372,000 to the 2008/09 Income and Expenditure Account. In order to retain the level of balances at 31st March 2009 it is proposed to transfer £372,000 to General Fund Balances from the Core Council Review Reserve. A compensating transfer from General Fund Balances back to the Core Council Review Reserve will be made in 2009/10. It should be emphasised that the position over the two years is entirely neutral.

3.3 The Strategic Finance Officer and Temporary Accountant will make a brief presentation on the main changes and highlights shown in the Annual Accounts and will be available to answer queries which the Committee may have. **However as the Annual Accounts are a largely technical document it would be useful to receive advance notification of particular questions in order that a comprehensive answer can be provided at the meeting.** Questions should be addressed to the Temporary Accountant who will also be available to provide further information and clarification at any time prior to the meeting.

4 **Notice of Conclusion of Audit**

4.1 Following the conclusion of Audit, this Committee will be informed of any significant amendments arising. If there are no significant amendments, there will be no further report on the 2008/09 Statement of Accounts.

5 **Effect on Corporate Priorities**

5.1 Being a corporate document detailing all of the financial activities of the Council the Statement of Accounts for 2008/09 impacts on all corporate priorities.

6 Recommendations

6.1 The Committee is recommended to:

a) Approve the Statement of Accounts for 2008/09.

b) Approve transfers of £372,000 from Core Council Review Reserve to General Fund Balances in 2008/09 and £372,000 from General Fund Balances to Core Council Review Reserve in 2009/10.

c) Make the following determinations in respect of the year ended 31 March 2009:-

1. Section 42(2)(g)

That £4,968k of expenditure for capital purposes, which was financed by grant, be capitalised.

2. Section 60(2)

That £870k of useable capital receipts be applied to meet capital expenditure.

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TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 30th JUNE 2009

REPORT OF THE STRATEGIC DIRECTOR (SA)

This matter is the responsibility of Councillor Wilson

SOUTH WEST AUDIT PARTNERSHIP FINANCIAL PERFORMANCE 2008/09

Executive Summary

This report updates the Corporate Governance Committee on the 2008/09 (unaudited) financial performance of the South West Audit Partnership.

1. Background

- 1.1 South West Audit Partnership (SWAP) was formed in April 2005 to provide an effective internal audit service to Taunton Deane Borough Council and South Somerset District Council.
- 1.2 Since then, Mendip District Council, West Somerset District Council, Sedgemoor District Council, Somerset County Council, Weymouth and Portland Borough Council and West Dorset District Council have joined the partnership.
- 1.3 The Partnership is operated as a Joint Committee. The Statement of Accounts 2008/09 for the Partnership will be formally considered by the SWAP Joint Committee on 25th June 2009, and will then be subject to external audit review.

2.0 Performance 2007/08

- 2.1 The partnership required £60,000 of start-up funding. This Council contributed £20,000 towards this, and agreed that this would be repaid in four annual instalments starting in 2006/07. The Partnership has repaid £10,000 and is on track to repay the remaining start up funding to us, as agreed.
- 2.2 The Partnership's financial performance is robust as is its business plan. The Partnership made an operating surplus of £11,763 for 2008/09. This has been added to the Partnership reserve which stands at a healthy

£76,822. This level of reserve is needed for future IT equipment replacements, and for some outstanding JE issues.

- 2.3** It is also pleasing to report that the Partnership has largely delivered against its performance targets, despite a number of staffing vacancies during the year.

3. Recommendation

- 3.1 The Corporate Governance Committee is requested to note the 2008/09 (unaudited) financial performance update on SWAP.

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TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 30TH JUNE 2009

REPORT OF THE STRATEGIC DIRECTOR (SA)

This matter is the responsibility of Councillor Henley (Leader of the Council)

REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT ARRANGEMENTS

Executive Summary

This report updates the Corporate Governance Committee on the effectiveness of the internal audit service provided by the South West Audit Partnership during 2008/09.

1. Background

- 1.1 Internal Audit play a key role in the Councils internal control and corporate governance arrangements. They provide assurance to members and stakeholders on all aspects of the Councils business set out in the Corporate Strategy.
- 1.2 This Councils internal audit function is delivered by the South West Audit Partnership (SWAP).
- 1.3 SWAP was formed in April 2005 to provide an effective internal audit service to Taunton Deane Borough Council and South Somerset District Council. Since then, the partnership has steadily grown as follows:-
 - 2005/06 - Mendip District Council and West Somerset District Council.
 - 2007/08 - Sedgemoor District Council and Somerset County Council.
 - 2008/09 - West Dorset District Council and Weymouth and Portland Borough Council.
- 1.4 The Partnership is operated as a Joint Committee – at which Taunton Deane is represented by two elected members (currently Cllr Dennington and Cllr Hall have done this since the beginning of the audit partnership).
- 1.5 Each year, authorities are required to review the effectiveness of their arrangements for the provision of internal audit services (Reg 6 of the Accounts and Audit Regs 2006). This review must be carried out

independently of the audit function, and report to those charged with governance arrangements – at Taunton Deane this is the Corporate Governance Committee.

2. Review Findings

2.1 The Taunton Deane Borough Council review has been carried out by the Strategic Director Shirlene Adam. The findings were taken into considerations by the corporate working group preparing the Annual Governance Statement – which this Committee considered last month. (Ideally this report should have been included in last months agenda too).

2.2 The review looked not just at the audit service, but at the system of internal audit, including the staffing arrangements, the audit strategy and planning, the approach to risk, and the quality and effectiveness of reporting (all as recommended by the CIPFA Code of Practice for Internal Audit).

2.3 The review concluded that the internal audit team performed well, in terms of delivery against audit plan and customer feedback. This view is supported by our external auditors.

2.4 Some headlines from the review include:-

Performance Measure	2007/08	2008/09
Level of feedback from satisfaction questionnaires	Not reported	73% average (7 received)
Managed Audits completed in year compared to plan	100% (8 out of 8)	100% (7 out 7)
Audits completed in year compared to plan	93% (13 out of 14)	88% (14 out of 16)
No of audit recommendations accepted by managers	Not reported	126

2.5 A triennial review on the effectiveness of SWAP was carried out by the Audit Commission in 2006/07 and a further review is due to be completed over the next few months.

2.6 The following shows progress *in italics* against the “areas of focus” for 2008/09:

- To implement an audit recommendation management software package across all partners.
There have been some technical issues that have caused delays. It is expected that all partners will have this in place in the next couple of months.
- To develop a clear business plan for the 2nd 5-year phase of the Partnership.

This is well underway and will be presented to the SWAP Members Board in the autumn for approval.

- To ensure the risk management framework recently implemented is embedded in the governance arrangements of the partnership.
The Management Board have recently reviewed and updated the SWAP risk register.

3. Opinion and Areas of Focus for 2009/10

3.1 It is the opinion of the Strategic Directors that the system of internal audit is effective.

3.2 There are some new areas for focus during 2009/10. The priority areas are:-

- Implementation of audit recommendation management software package to all partners by 31st July 09.
- Risk register for SWAP to be updated by 31st October 2009;
- Complete business plan for continuation of the partnership 31st October 2009. (to include new financial model and policies)

4. Recommendation

4.1 The Corporate Governance Committee is requested to note the findings of the review of the effectiveness of internal audit 2008/09.

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