

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 28 September 2009 at 18:15.

Agenda

- 1 Apologies
- 2 Minutes of the meetings of the Corporate Governance Committee held on 18 May 2009 and 30 June 2009 (attached)
- 3 Public Question Time
- 4 Declaration of Interests. To receive declarations of personal or prejudicial interests, in accordance with the Code of Conduct
- 5 Annual Governance Report. Report of the Audit Manager, Audit Commission (attached)
- 6 Corporate Improvement Plan Governance. Report of the Client and Performance Lead (attached)
- 7 Corporate Area Assessment Update. Report of the Client and Performance Lead (attached)
- 8 Internal Audit Plan - Progress Review. Report of the Group Auditor (attached)
- 9 Annual Governance Statement Action Plan Update. Report of the Strategic Finance Officer (attached)
- 10 Changes to the Constitution. Report of the Legal and Democratic Services Manager (attached)
- 11 Health and Safety. To receive any questions from Members

02 December 2009

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 - Party Leader
Councillor J Williams
Councillor A Beaven
Councillor A Wedderkopp
Councillor N Wilson
Councillor J O'Brien
Councillor P Critchard

Corporate Governance Committee – 18 May 2009

Present: Councillors Beaven, Critchard, Denington, R Lees, P Smith, A Wedderkopp, Mrs Whitmarsh and Williams

Officers: Ms M Hammond (Strategic Finance Officer), Mr P Sharratt (Economic Development and Regeneration Manager), Mr R Sealy (Client and Performance Manager), Mrs R James (Performance and Client Lead), Mr C Gunn (Group Auditor, South West Audit Partnership) and Mrs G Croucher (Democratic Services Officer)

Also Present: Mr B Wilson (Standards Committee), Mr T Bowditch (Audit Commission) and Mr P Weaver

(The meeting commenced at 6.15 pm)

12. Appointment of Chairman

Resolved that Councillor Williams be appointed as Chairman of the Corporate Governance Committee for the remainder of the Municipal Year.

13. Appointment of Vice-Chairman

Resolved that Councillor Wedderkopp be appointed as Vice-Chairman of the Corporate Governance Committee for the remainder of the Municipal Year.

14. Apologies/Substitutions

Apologies: Councillors Govier, Henley, Paul and Mrs Smith.

Substitutions: Councillor R Lees for Councillor Paul and Councillor P Smith for Councillor Mrs Smith.

15. Minutes

The minutes of the meeting held on 16 March 2009 were taken as read and were signed.

16. Risk Management Strategy

Considered report previously circulated, which gave details of the Council's updated Risk Management Strategy.

The original Risk Management Strategy had been approved by the Committee in 2006 and had been reviewed and updated in order to continue the encouragement of best practice in this area.

Details of the updated Risk Management Strategy were submitted for discussion.

Resolved that the updated Risk Management Strategy be approved.

17. Annual Audit and Inspection Letter 2007/2008

Mr Terry Bowditch, Audit Manager, the Audit Commission (AC) introduced Taunton Deane Borough Council's Annual Audit and Inspection Letter.

The report set out an overall summary of the AC's assessment of the Council. Its findings and conclusions had been drawn from the 2007/2008 audit and from any further inspections undertaken.

The report found that that the Council had continued to make progress with the delivery of most of its priorities and had improved the performance of a number of its services.

However, the Council's ability to continue improving its services in the short term was challenged by an ambitious agenda, although a strong performance management system helped to mitigate the risk.

Some aspects of the Housing service had improved but progress in developing the Council's approach to equality and diversity had been slow.

The contract procurement and governance arrangements for Southwest One were robust and operating satisfactorily. However, it had been noted that the project was still at an early stage and would need effective contract management to ensure delivery of the expected benefits.

The Council had been given an unqualified opinion on its accounts for 2007/2008 and the value for money arrangements were adequate.

The Use of Resources score had been reduced from 3 to 2. This reflected reductions in the scores for the financial reporting, financial standing and value for money theme scores.

A Corporate Improvement Plan was currently being prepared that would draw together the findings of this report and other documents and would be reported at a future meeting.

Resolved that the report be noted.

18. Economic Development Progress on Internal Audit Recommendations

The Economic Development Manager reported on the progress made by the Economic Development Department on recent Internal Audit recommendations that had highlighted a number of weaknesses.

Reported on the areas of weaknesses identified and the action plans agreed to monitor the situation.

Members discussed the action plans and it was agreed that a further progress report by the Economic Development Manager be made to a future meeting of the Committee.

Resolved that the report be noted.

19. Comprehensive Area Assessment Update

Reported that the Comprehensive Area Assessment (CAA) had come into effect in April 2009 and would change how public sector organisations would be assessed.

The CAA would look at how well local services were working together to improve the quality of life for local people. It was a joint assessment of the performance of local public services and how they would meet local priorities.

The Organisational Assessment combined the external auditor's assessment of Value for Money (including Use of Resources) and a new assessment, Managing Performance that would focus on the following:-

- How well the organisation was delivering its priority services, outcomes and improvements that were important to local people; and
- Did the organisation have the leadership, capacity and capability needed to deliver future improvements?

The area assessment was a self assessment that reviewed performance against the following:-

- How well did local priorities express community needs and aspirations?
- How well were the outcomes and improvements needed being delivered?
- What were the prospects for future improvements?

The Audit Commission would report on the CAA for Somerset in November 2009 and the report would set out for the public how effective local public services in Somerset were tackling the issues facing them.

The CAA would also assess how well local services were performing against the Local Area Agreement targets for improvement.

Resolved that the report be noted.

20. Annual Governance Statement 2008/2009

Considered report previously circulated, concerning the Annual Governance Statement 2008/2010. The report had been prepared in accordance with the Corporate Governance Framework and covered all significant corporate

systems, processes and controls. The six core principles identified in the framework included:-

- Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which were subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective; and
- Engaging with local people and other stakeholders to ensure robust public accountability.

The Annual Governance Statement would need to include:-

- An acknowledgement of responsibility for ensuring that there was a sound system of governance;
- A brief description of the governance framework;
- A brief description of the process that had been applied in maintaining and reviewing the effectiveness of the governance arrangements; and
- An outline of actions taken or proposed to deal with any significant governance issues.

Resolved that:-

1. The Annual Governance Statement 2008/2009 be approved; and
2. The progress of the significant issues highlighted in the Statement be monitored by the Corporate Governance Committee and used to aid the preparation of the Annual Governance Statement for 2009/2010.

21. Internal Audit Annual Report 2008/2009

Submitted for consideration the Annual Report 2008/2009 of the Council's Internal Audit Services.

A total of 14 operational audits had been planned for 2008/2009. However, three reviews had not been completed during the year and, with the agreement of the Head of Financial Services, one review had been rescheduled for 2008/2009. A further three audits had been completed from the previous year.

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

- 139 agreed actions for improvement;
- 1 audit had been completed from the previous year;
- 6 audits had been completed and final reports issued;
- 8 audits were at the draft stage;
- 1 audit was in the process of being tested;
- 1 audit had not been completed.

For all the reviews undertaken an agreed action plan had been drawn up to address identified control weaknesses. Although a number of areas of concern had been identified, action plans had been agreed and progress would be monitored.

A number of managed audits had been completed to assist the External Auditor which had resulted in a number of actions for improvements. These would be monitored through to completion. The review of the Managed Audits had not identified any serious concerns and reasonable assurance had been given that key financial controls were in place and working as intended.

Resolved that the report be noted.

(The meeting ended at 8.30 p.m.)

Corporate Governance Committee – 30 June 2009

Present: Councillor A Wedderkopp (Vice-Chairman) (In the Chair)
Councillors Denington, Hall, R Lees, McMahon, Mrs Stock-Williams
and Mrs Wilson

Officers: Ms M Hammond (Strategic Finance Officer), Mrs E Collacott (Principal Accountant), Mr R Holwill (Temporary Accountant), Mr C Gunn (Group Auditor, South West Audit Partnership), Mr J Williams (Chief Housing Officer), Mr T Haynes (Housing Property Manager), Mr D Woodbury (Health and Safety Advisor) and Mrs G Croucher (Democratic Services Officer)

Also Present: Councillor I Morrell, Mr B Wilson (Standards Committee),
Mr T Bowditch and Mr S Clarke (Audit Commission)

(The meeting commenced at 6.15 pm)

22. Apologies/Substitutions

Apologies: Councillor Williams (Chairman) and Councillors Beaven, Critchard, Govier, Henley, O'Brien, Paul, Mrs Smith and Mrs Whitmarsh

Substitutions: Councillor Hall for Councillor Williams, Councillor McMahon for Councillor Beaven, Councillor Lees for Councillor Critchard, Councillor Mrs Stock-Williams for Councillor Paul and Councillor Mrs Wilson for Councillor Mrs Smith

23. Declarations of Interest

Councillors Denington and Hall declared personal interests as the Council's representatives on the Joint Committee of the South West Audit Partnership.

24. Internal Audit Plan – Progress Review

Considered report previously circulated which provided an update on the significant findings and recommendations for the period May to June 2009.

Details were also reported of the operational audits and managed audits completed since May 2009 which included the main issues raised and the management responses thereto.

Members were concerned that there was no set procedure in place for the authentication of Council Tax callers and agreed that advice should be sought to rectify this.

Details of the reviews currently in progress were also provided.

Resolved that the report be noted.

25. Annual External Audit Fee 2009/2010

Mr Terry Bowditch, Audit Manager, the Audit Commission (AC) introduced the proposed external audit fee for 2009/2010 for Taunton Deane Borough Council.

This year the annual audit and inspection plan had been separated and the inspection fee would be reported at a future meeting.

The fee was 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 2009/2010 and only reflected the audit element of the AC work and excluded any inspection and assessment fees.

The total indicative fee for the audit for 2009/2010 was £105,600. Details as to how this fee had been determined were submitted.

Resolved that the report be noted.

26. Housing Repairs – Progress Report and Action Plan

The Chief Housing Officer and the Housing Property Manager reported on the progress made by the Housing Repairs department on recent Internal Audit recommendations that had highlighted a number of weaknesses.

Reported on the areas of weaknesses identified and the action plans agreed to monitor the situation.

Members considered that good progress had been made.

Resolved that the report be noted.

27. Statement of Accounts 2008/2009

Considered report previously circulated, concerning the annual Statement of Accounts for 2008/2009 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 statutory deadline for the signing of the accounts was the end of June.

The 2008/2009 Accounts presented were subject to audit which would shortly be undertaken by the Audit Commission.

The format of the Statement of Accounts had not changed substantially from last year with only minor changes to the content of the Annual Accounts when compared to 2007/2008.

A detailed presentation was made to Members by the Strategic Finance Officer, Maggie Hammond and the Temporary Accountant, Richard Holwill, on the Statement of Accounts which included information on the following topics:-

- Income and Expenditure Account;
- Statement of Movement on the General Fund Balance;
- Statement of Recognised Gains and Losses;
- Balance Sheet;
- Cash Flow Statement.

Reported that following the conclusion of the audit to be undertaken by the Audit Commission, the Committee would be informed if any significant amendments had arisen.

Resolved that:-

- 1) The Statement of Accounts for 2008/2009 be approved;
- 2) The transfer of £372,000 from the Core Council Review Reserve to the General Fund Balances in 2008/2009 and £372,000 from the General Fund Balances to the Core Council Review Reserve in 2009/2010 be approved; and
- 3) The following determinations in respect of the year ended 31 March 2009 be made:-
 1. **Section 42(2)(g)** – that £4,968,000 of expenditure for capital purposes, which was financed by grant, be capitalised; and
 2. **Section 60(2)** – that £870,000 of useable capital receipts be applied to meet capital expenditure.

28. South West Audit Partnership Financial Performance 2008/2009

Considered report previously circulated, giving the Committee an update on the 2008/2009 financial performance of the South West Audit Partnership (SWAP).

The SWAP provided an internal audit service to Taunton Deane Borough Council and the four Somerset District Councils, together with Somerset County Council, Weymouth and Portland Borough Council and West Dorset District Council and operated as a joint committee.

It was reported that the Partnership's financial performance and business plan were robust and the Partnership had made an operating surplus of £11,763. This would be added to the Partnership reserve which stood at over £76,000.

It was also reported that the Partnership had largely delivered against its performance targets, despite a number of staffing vacancies during the year.

Resolved that the report be noted.

28. Review of Effectiveness of Internal Audit Arrangements

Considered report previously circulated, updating Members on the effectiveness of the internal audit service provided by the South West Audit Partnership during 2008/2009.

The review was an annual requirement to review the effectiveness of the arrangements for the provision of internal audit services. This included the staffing arrangements, the audit strategy and planning, the approach to risk and the quality and effectiveness of report as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit.

The review concluded that the Internal Audit service performed well in terms of delivery against audit plan and customer feedback.

The priority areas for focus during 2000/2010 included:-

- The implementation of an audit recommendation management software package to all partner members by 31 July 2009;
- The risk register for the South West Audit Partnership to be updated by 31 October 2009; and
- The completion of a business plan to include a new financial model and policies for the continuation of the Partnership by 31 October 2009.

Resolved that the report be noted.

29. Health and Safety Update

Mr David Woodbury, the Health and Safety Advisor, presented the Health and Safety Report updating Members on strategic issues including SAP, Southwest One and the Core Council Review.

Resolved that the current position be noted.

(The meeting ended at 7.53 p.m.)

Declaration of Interests

Corporate Governance Committee

- Members of Somerset County Council – Councillors Govier, Henley and Paul

Annual Governance Report

Taunton Deane Borough Council

Audit 2008/09

Date: 28 September 2009

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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Ladies and Gentlemen

2008/09 Annual Governance Report

I am pleased to present the final version of my report on the results of my audit work for 2008/09.

The report sets out the key issues that you should consider before I complete the audit.

It asks you to:

- consider the matters raised in the report before approving the financial statements (pages 7 to 8);
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- approve the letter of representation on behalf of the Council before I issue my opinion and conclusion (Appendix 3); and
- agree your response to the proposed action plan (Appendix 5).

Yours faithfully

Brian Bethell
District Auditor
28 September 2009

Key messages

This report summarises the findings from the 2008/09 audit which is substantially complete. It includes the messages arising from my audit of your financial statements and the results of the work I have undertaken to assess how well you use and manage your resources to deliver value for money and better and sustainable outcomes for local people.

Financial Statements	Results	Page
Unqualified audit opinion	Yes	7
Financial statements free from error	No	7
Adequate internal control environment	Yes	
Use of resources	Results	Page
Use of resources judgements	Level 2	9
Arrangements to secure value for money	Unqualified conclusion	10

Audit opinion

- 1 We expect to issue an unqualified opinion on the financial statements. A draft report is at Appendix 1.

Financial statements

- 2 As a result of our audit a small number of adjustments to the statements have been agreed with officers and the statements have been amended accordingly, as set out in appendix 2.

Use of resources

- 3 We propose issuing an unqualified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources. A draft report is at Appendix 1.

Audit Fees

- 4 The fee for this audit was set out in our Audit Plan that was discussed and agreed with the Corporate Governance Committee on 26 June 2008. No adjustment has been necessary to the fee agreed at that date.

Key messages

Next steps

This report identifies the key messages that you should consider before I issue my financial statements opinion, value for money conclusion, and audit closure certificate. It includes only matters of governance interest that have come to my attention in performing my audit. My audit is not designed to identify all matters that might be relevant to you.

5 I ask the Corporate Governance Committee to:

- consider the matters raised in the report before approving the financial statements (pages 7 to 8);
- take note of the adjustments to the financial statements which are set out in this report (Appendix 2);
- approve the letter of representation on behalf of the Council before I issue my opinion and conclusion (Appendix 3);
- take note of the VFM Conclusion and Use of Resources score (Appendix 4) and;
- agree your response to the proposed action plan (Appendix 5).

Financial statements

The Council's financial statements and annual governance statement are important means by which the Council accounts for its stewardship of public funds. As Council members you have final responsibility for these statements. It is important that you consider my findings before you adopt the financial statements and the annual governance statement.

Opinion on the financial statements

- 6 I plan to issue an audit report including an unqualified opinion on the financial statements. Appendix 1 contains a copy of my draft audit report.

Errors in the financial statements

- 7 A small number of amendments have been made to the statements following my audit to correct errors or improve the disclosure of information contained in the statements. The only one that affects the figures in the Income and Expenditure Account or Balance Sheet is as follows (see Appendix 2 for further details):
- Costs of £1.901million in 2008/09 in respect of the development of the SAP accounting package were included in the draft accounts within intangible fixed assets rather than assets under construction.
- 8 With SAP going live in the current year, the Council needs to agree with its SouthWestOne partners how the costs should be treated in the 2008/09 accounts.

Recommendation

- R1 The Council needs to agree, in discussion with its partners within SouthWestOne, the correct treatment in the 2008/09 accounts for costs in relation to the SAP accounting package.

Letter of representation

- 9 Before I issue my opinion, auditing standards require me to obtain appropriate written representations from you and management about your financial statements and governance arrangements. Appendix 3 contains the draft letter of representation I seek to obtain from you.

Key areas of judgement and audit risk

- 10 In planning my audit I identified specific risks and areas of judgement that I have considered as part of my audit. My findings are set out in Table 1.

Table 1 Key areas of judgement and audit risk

Issue or risk	Finding
The reduction in the valuation of pension fund assets may not be reflected in the pension liability figures shown in the accounts.	The pension fund liability figures within the accounts fairly reflect asset valuations.
The reductions in fixed asset valuations in the past year may not be reflected in balance sheet valuations.	The Council has considered the impact of the economic climate on fixed asset valuations and has made appropriate adjustments to year-end valuations as shown in the accounts.
The accounts may not reflect all costs chargeable to the Income and Expenditure Account in 2008-9 in respect of redundancies agreed and approved before the year-end.	We have not identified any redundancy costs chargeable to 2008-9 which have been omitted from the accounts.

Accounting practice and financial reporting

- 11** I consider the qualitative aspects of your financial reporting. There is one issue I wish to bring to your attention.
- 12** There is no requirement at present for any journals, which can only be input to the general ledger by finance staff, to be authorised by a second member of staff. As part of our audit this year, we asked for retrospective authorisation of all the larger 2008/09 journal entries.

Recommendation

R2 The Council should introduce an authorisation process for journals.

Use of resources

I am required to consider how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and give a scored use of resources judgement.

I am also required to conclude whether the Council put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

Use of resources judgements

- 13** In forming my scored use of resources judgements, I have used the methodology set out in the [use of resources framework](#). Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements at level 2.
- 14** I have also taken into account, where appropriate, findings from previous use of resources assessments (updating these for any changes or improvements) and any other relevant audit work.
- 15** The Council's use of resources theme scores are shown in Table 2 below. The key findings and conclusions for the three themes, and the underlying KLOEs, are summarised in Appendix 4. The scores shown are those as confirmed by the Audit Commission's national quality assurance process, which is now completed.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances	2
Governing the business	2
Managing resources	2

- 16** The Council has achieved Level 2 for each of the three Use of Resources themes. However, within all of our KLOEs we have identified some areas where the Council's arrangements fall below the level that might be expected. It needs to give priority in its improvement planning to addressing these weaknesses. The detailed report from our Use of Resources audit highlights the key areas where action is required.
- 17** We commented last year that capacity issues had limited the Council's progress in improving its use of resources. This year's audit confirmed that lack of capacity in some key areas remains a crucial issue for the Council. It is now part-way through its core council review, a major staff re-structuring exercise, based on a thematic working model. In the longer-term, the new structures are intended to make Council more fit for purpose and more efficient and better positioned to deliver its strategic priorities. In the

short-term, the review process and staffing changes from the implementation of phase one of the review, covering the "strategy and corporate" theme, have caused disruption to the management and delivery of key corporate services, thereby adding to the Council's capacity issues.

Recommendation

R3 The Corporate Governance Committee should monitor progress on the action plan from our 2008-9 Use of Resources audit.

Value for money conclusion

- 18** I assess your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are set out in Appendix 4.
- 19** I intend to issue an unqualified conclusion stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in the use of resources. Appendix 1 contains the wording of my draft report.

Appendix 1 – Independent auditor’s report to Members of Taunton Deane Borough Council

Opinion on the financial statements

I have audited the Authority and Group accounting statements and related notes of Taunton Deane Borough Council for the year ended 31 March 2009 under the Audit Commission Act 1998. The Authority and Group accounting statements comprise the Authority and Group Income and Expenditure Account, the Authority Statement of Movement on the General Fund Balance, the Authority and Group Balance Sheet, the Authority and Group Statement of Total Recognised Gains and Losses, the Authority and Group Cash Flow Statement, the Housing Revenue Account, the Statement of Movement on the Housing Revenue Account, the Collection Fund and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Taunton Deane Borough Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Chief Finance Officer and auditor

The Chief Finance Officer’s responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the Authority and Group accounting statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008:

- the financial position of the Authority and its income and expenditure for the year; and
- the financial position of the Group and its income and expenditure for the year.

I review whether the governance statement reflects compliance with ‘Delivering Good Governance in Local Government: A Framework’ published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Authority’s corporate governance procedures or its risk and control procedures

I read other information published with the Authority and Group accounting statements, and consider whether it is consistent with the audited Authority and Group accounting statements. This other information

comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the Authority and Group accounting statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Authority and Group accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the Authority and Group accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority’s circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the Authority and Group accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the Authority and Group accounting statements and related notes.

Opinion

In my opinion:

- The Authority financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended; and
- The Group financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the Authority as at 31 March 2009 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority’s Responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor’s Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for principal local authorities. I report if significant matters have come to my attention which prevent me from concluding that the Authority has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

Appendix 1 – Independent auditor’s report to Members of Taunton Deane Borough Council

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for principal local authorities specified by the Audit Commission and published in May 2008 and updated in February 2009, and the supporting guidance, I am satisfied that, in all significant respects, Taunton Deane Borough Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Brian Bethell
District Auditor

Audit Commission
Westward House
Lime Kiln Close
Stoke Gifford
Bristol BS34 8SR

September 2009

Appendix 2 – Adjusted amendments to the accounts

The following misstatement was identified during the course of my audit and the financial statements have been adjusted by management. I bring it to your attention to assist you in fulfilling your governance responsibilities.

Table 3

		Income and Expenditure Account		Balance Sheet	
Adjusted misstatements	Nature of Adjustment	Dr £000s	Cr £000s	Dr £000s	Cr £000s
Intangible fixed assets included development costs in respect of the SAP accounting package.	Reduce intangible fixed assets and increase assets under construction.			1,901	1,901

Appendix 3 – Draft letter of representation

Brian Bethell
District Auditor
Westward House
Lime Kiln Close
Stoke Gifford
Bristol
BS34 8SR

Taunton Deane Borough Council - Audit for the year ended 31 March 2009

I confirm to the best of my knowledge and belief, having made appropriate enquiries of other officers of Taunton Deane Borough Council, the following representations given to you in connection with your audit of the Council's financial statements for the year ended 31 March 2009. [

Compliance with the statutory authorities

I acknowledge my responsibility under the relevant statutory authorities for preparing the financial statements in accordance with the Code of Practice for Local Authority Accounting in the United Kingdom which present fairly the financial position and financial performance of the Council and for making accurate representations to you.

Supporting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all Council and Committee meetings, have been made available to you.

Irregularities

I acknowledge my responsibility for the design and implementation of internal control systems to prevent and detect fraud or error.

There have been no:

- irregularities involving management or employees who have significant roles in the system of internal accounting control;
- irregularities involving other employees that could have a material effect on the financial statements; or
- communications from regulatory agencies concerning non-compliance with, or deficiencies on, financial reporting practices which could have a material effect on the financial statements.

I also confirm that I have disclosed:

- my knowledge of fraud, or suspected fraud, involving either management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements; and
- my knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, analysts, regulators or others.

Law, regulations, contractual arrangements and codes of practice

There are no instances of non-compliance with laws, regulations and codes of practice, likely to have a significant effect on the finances or operations of the Council.

The Council has complied with all aspects of contractual arrangements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Fair Values

I confirm the reasonableness of the significant assumptions within the financial statements as regards the fair values of financial instruments included within the accounts.

Assets

The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- losses arising from sale & purchase commitments;
- agreements & options to buy back assets previously sold; and
- assets pledged as collateral.

Compensating arrangements

There are no formal or informal compensating balancing arrangements with any of our cash and investment accounts.

Contingent liabilities

There are no other contingent liabilities, other than those that have been properly recorded and disclosed in the financial statements. In particular:

Appendix 3 – Draft letter of representation

- there is no significant pending or threatened litigation, other than those already disclosed in the financial statements;
- there are no material commitments or contractual issues, other than those already disclosed in the financial statements; and
- no financial guarantees have been given to third parties.

Related party transactions

I confirm the completeness of the information disclosed regarding the identification of related parties.

The identity of, and balances and transactions with, related parties have been properly recorded and where appropriate, adequately disclosed in the financial statements

Post balance sheet events

Since the date of approval of the financial statements by Taunton Deane Borough Council, no additional significant post balance sheet events that have occurred which would require additional adjustment or disclosure in the financial statements.

The Council has no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

Signed on behalf of Taunton Deane Borough Council

I confirm that this letter has been discussed and agreed by the Corporate Governance Committee of Taunton Deane Borough Council on 28 September 2009.

Signed

Name

Position

September 2009

Appendix 4 – Use of resources key findings and conclusions

The following tables summarise the key finding and conclusions for each of the three use of resources themes.

Table 4 **Managing finances**

Theme score	2
Key findings and conclusions	
The Council has put in place adequate arrangements for managing its finances to help ensure that it delivers value for money.	
KLOE 1.1 (financial planning)	
Score	2
VFM criterion met	Yes
Key findings and conclusions	
There are close links between the Council's corporate plan, service plans and medium-term financial plan. However, the IT and Workforce Strategies need to be updated and the links from these to financial planning are weak. The robustness of the budget process is evidenced by the Council's good track record in delivering expenditure within budget. However, there is insufficient focus on the medium-term when setting the annual budget. There are effective processes for communicating key financial messages to staff and members. There was limited public consultation on the 2009/10 budget. The Council clearly identifies future budget shortfalls within the Medium Term Financial Plan, and members are regularly updated on progress in addressing these. The Council sets challenging targets for income collection, and performance against these is closely monitored. The Corporate Governance Committee receives external and internal audit reports and provides robust challenge on these, although there is no systematic process for tracking progress on recommendations.	

Appendix 4 – Use of resources key findings and conclusions

<p>KLOE 1.2 (understanding costs and achieving efficiencies)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p>	
<p>The Council has a sound understanding of costs and performance but it lacks sufficient knowledge of whether it delivers good value for money compared to other councils. Managers and councillors make appropriate use of costing and performance information in their decisions, using information which is generally of reasonable quality. The Council's Project Approval Report process provides a good template for appraising specific capital projects. The Council makes insufficient use of benchmarking, which means the Council cannot be sure that it is delivering value for money services for local residents. The Council has identified scope for making efficiencies in several areas and has been very successful in achieving these, often using innovative means. However, there is more scope to identify efficiency savings in services which do not represent good value for money compared to other similar councils. Overall, the Council delivers planned outcomes at relatively low cost compared to similar councils, although there are areas of poorer performance.</p>	
<p>KLOE 1.3 (financial reporting)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p>	
<p>The Council's financial monitoring is timely, reliable and understandable. The Council produces regularly and timely financial reports to officers and members which highlight the key issues and have helped to ensure that prompt and effective corrective action is taken where necessary, as shown by the Council's track record in setting balanced budgets and then delivering expenditure within these. Financial information is presented alongside performance information in the quarterly monitoring reports to members, although the links between these need to be strengthened. For 2008-9, more resources have been provided for the accounts closure process, and this has secured significant improvements in the quality of the draft accounts and supporting working papers. The accounts and key report are available on the website, and the Council has taken action to ensure this information is more accessible following consultation with local equalities and hard to reach groups.</p>	

Table 5 Governing the business

Theme score	2
Key findings and conclusions	
The Council’s governance arrangements are generally sound, and there are adequate arrangements in place for commissioning services that provide value for money and deliver better outcomes for local people.	
KLOE 2.1 (commissioning and procurement)	
Score	2
VFM criterion met	Yes
Key findings and conclusions	
The Council has a sound vision of intended outcomes but needs to improve its understanding of diverse needs upon which this vision is based. There is a lot to do to bring equalities and needs assessment work up to date. The Council involves service users and wider community in most, not all stages of commissioning, but needs a strategic and coordinated approach. The Council is innovative in integrating and improving services so local people see improvements in quality and value for money (vfm). Working with the private sector, officers and councillors have an excellent understanding of the supply market and the Council is starting to work to influence this in the longer-term. During 2008-09, the Council achieved above-target savings of around £160k. The Council has effective arrangements for specifying and monitoring contracts. The Council reviews services for competitiveness, vfm and success in meeting wider objectives, but not all services have been reviewed. The Council is involved in several successful partnerships to increase efficiency. The procurement strategy needs updating to bring it into line with current practices and baseline information on costs is not regularly used by individual services.	
KLOE 2.2 (data quality and use of information)	
Score	2
VFM criterion met	Yes

Appendix 4 – Use of resources key findings and conclusions

Key findings and conclusions	
<p>Several recent improvements have been made to the Council’s systems for ensuring data quality but it is too soon to determine the extent to which these have had an impact. The Data Quality Strategy was approved in March 2009. Roles and responsibilities for data quality are clear, and training and awareness briefings have been held to support the implementation of the new strategy and guidance is available on the intranet and in staff handbooks. Sample testing of the arrangements for producing the national indicators identified weaknesses in quality assurance processes which need to be addressed. Performance reports are well established and set out financial and performance data against identified targets. Partnership performance is not covered well; data from SouthWestOne is included, but there is no detail relating to any of the other partnerships in which the Council is engaged. Arrangements for data security are adequate, with a standard range of information security policies in place. Systems are tested regularly to ensure data integrity and recovery in the case of ICT incidents. The Council complies with Government Connect standards.</p>	
<p>KLOE 2.3 (good governance)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
Key findings and conclusions	
<p>The Council is challenging the way officers and members work together to deliver the Council's priorities. The Council's management structures are in the process of radical review, with a move to a thematic rather than function based structure. Work is in progress in developing personal development plans for all members, with eleven having gone through a pilot exercise. The Council's vision of what it wants to achieve for the local community is set out through the annually updated Corporate Strategy. Progress against targets is then monitored through quarterly performance reports to members. The Council has the required arrangements in place to ensure compliance with standards of conduct, supported by regular ethics training and guidance for members. The Council has adopted a local Code of Governance, but has made little use of this as yet to drive the governance agenda. The Standards Committee advertises its role on the website and produces an annual report, but it has yet to develop a proactive role in promoting ethical behaviour. The Council is involved in a number of major partnerships covering key aspects of its business, and for all these there is a project group, formal partnership agreement, risk register, nominated responsible director, and regular reporting to members on the key financial and performance issues for each partnership. These reports show that there have been improvements in performance and efficiency across a wide range of services covered by the partnerships, such as improved recycling rates, cost savings from support services and improved quality of internal audit.</p>	

Appendix 4 – Use of resources key findings and conclusions

KLOE 2.4 (risk management and internal control)	
Score	2
VFM criterion met	Yes
Key findings and conclusions	
<p>Risk management is not yet effectively embedded across the Council. For major projects and partnerships, there are risk registers and there are a number of examples of the Council using risk management effectively in managing projects. However, at service level, the quality and use of the registers is patchy. The corporate risk register is currently being revised, and the Council, is now taking action to ensure that all its registers are in the same format and one which meets all the good practice requirements. There has been no process to date to provide the Management Team or members with regular assurance that all key risks across the Council are being effectively managed. The Council has an anti-fraud and benefits fraud strategy, supported by staff fraud awareness training and a clear prosecution policy, and has arrangements in place to monitor delivery against these strategies. There is good joint working with the DWP on benefit fraud, effective use of data matching, wide publicity for successful prosecutions, and, for 2008/9, an increased focus on proactive work, although the Council was still some way short of its target for number of sanctions. The Council's internal audit meets the key requirements of the CIPFA code and provides broad annual coverage of the main financial systems. The Corporate Governance Committee has a strong membership and provides robust challenge, but there is no structured process for following up agreed actions from internal or external audit. Internal audit have confirmed in their annual report that they have not identified any serious control weaknesses from their 2008/9 testing of the key financial systems, although they did identify weaknesses in disaster recovery arrangements, leaving the Council at increased risk in the event of a major IT incident.</p>	

Table 6 Managing resources

Theme score	2
KLOE 3.3 (workforce planning)	
Score	2

Appendix 4 – Use of resources key findings and conclusions

VFM criterion met	Yes
Key findings and conclusions	
<p>The Council has in place a broad range of effective processes and systems to manage and develop its workforce. Recruitment methods are modern and include web-based options for applying to work with the Council. There are a wide range of employee-friendly policies in place which make the Council an attractive employer. The latest staff surveys show that the Council is highly rated as an employer and that the majority of staff enjoy their work. The Council has however, experienced sustained high levels of sickness absence. New policies and interventions have had some success in reducing short term sickness absence in particular, although the Council's performance remains amongst the worst performing. There are clear processes for performance reviews and appraisals. Communications across the Council are well developed and seen by staff as being effective. The Council has implemented major organisational changes through the SouthWestOne initiative and Core Council Review, and communications have been enhanced in order to engage staff during these changes. These significant organisational changes have overtaken the Council's existing workforce plan which is now out of date. Equalities and diversity arrangements are clear and have been improved to provide greater focus.</p>	

Appendix 5 – Action Plan

Rec no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Annual Governance Report 2008/09 - Recommendations						
1	The Council needs to agree, in discussion with its partners within SouthWestOne, the correct treatment in the 2008/09 accounts for costs in relation to the SAP accounting package.	3				
2	The Council should introduce an authorisation process for journals.	3				
3	The Corporate Governance Committee should monitor progress on the action plan from our 2008-9 Use of Resources audit.	3				

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

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Corporate Governance Committee - 28 September 2009

Corporate Improvement Plan Governance

Report of Client and Performance Lead

(This matter is the responsibility of Executive Councillor Nicola Wilson.)

Executive Summary

This report summarises proposals to strengthen the management of the Corporate Action Plan and enable Members to track progress of relevant actions.

1. Purpose of Report

- 1.1 This report summarises proposals to strengthen the governance process to ensure the ownership, monitoring and delivery of each action in the Corporate Action Plan.

2. Background

- 2.1 Under the new Comprehensive Area Assessment regime, there are 2 organisational assessments, Use of Resources and Managing Performance as well as and the Area Assessment for Somerset. To assess each of these areas, the Audit Commission carry out an inspection and make recommendations. The Audit Commission also make a number of recommendations in their Annual Audit and Inspection letter.
- 2.2 In addition, we also have a number of corporate actions we need to complete in order to meet set government standards, for example, the Data Quality Action Plan and Risk Management Plan. All these corporate actions will now be fed into the Corporate Action Plan.
- 2.3 Previously we had a process for monitoring the progress of the Corporate Action Plan which was reported to this Committee. As a result of the Core Council Restructure, progress has not been reported for 18 months. We anticipate that we will be in a position to report an update to the Corporate Governance Committee in December.

3. Governance Proposal

- 3.1 The Performance and Client team will take responsibility for pulling together The Corporate Action Plan. This action plan will be owned by CMT. Each action will be allocated an owner and each owner will then be responsible for delivering their actions and feeding back progress on a quarterly basis.

- 3.2 Detailed progress of this action plan will be reported to CMT as part of the quarter performance monitoring process managed by the Performance and Client team. If actions are off track, CMT will be responsible for ensuring sufficient resources are provided to enable delivery or renegotiate an extended deadline.
- 3.3 A summary of progress against this action plan will also be reported to the Executive and Corporate Scrutiny Committee as part of the new performance monitoring regime starting in 1 April 2009.

8. Recommendations

- 8.1 It is recommended that Members support the proposals for improving the management of the Corporate Action Plan.

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Performance and Client Lead
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r.james@tauntondeane.gov.uk



Corporate Governance Committee - 28 September 2009

Comprehensive Area Assessment update

Report of Client and Performance Lead

(This matter is the responsibility of Executive Councillor Nicola Wilson.)

Executive Summary

This report summarises the timetable for the publication of the findings by the Audit Commission of both the Organisational Assessment for Taunton Deane and the Comprehensive Area Assessment (CAA) for Somerset.

1. Purpose of Report

- 1.1 The purpose of this report is to summarise the timetable for the results of the Organisational Assessment and the Comprehensive Area Assessment.

2. Background

- 2.1 CAA is the new inspection regime which came into effect in April 2009. It looks at how well local services are working together to improve the quality of life for local people. For the first time, local public services will be held collectively to account for their impact on better outcomes. CAA will look across councils, health bodies, police forces, fire and rescue services and others responsible for local public services, which are increasingly expected to work in partnership to tackle the challenges facing our communities.
- 2.2 It is a joint assessment made by a group of independent watchdogs about the performance of local public services, and how likely they are to meet local priorities. Assessments will be made publicly available, in print and online, and provide an annual snapshot of quality of life in the area.
- 2.3 It will give people information about how well services are delivered locally, and help them make decisions in their communities, in their own use of services, or perhaps where they live.

3. CAA Organisational Assessment for Taunton Deane Borough Council

- 3.1 The feedback on Taunton Deane's organisational assessment, including Use of Resources and Managing Performance will be sent to us on 19 October and will include a full narrative following the Audit Commissions inspections and Taunton Deane's organisational score. If we want to request a review of the organisational assessment or overall score, we are required to make

application to request a review with the relevant information to the Audit Commission by 23 October. We will then be informed of the outcome by 27 November.

- 3.2 On the 4 December 2009 we will receive a full narrative for our organisational assessment which will be embargoed. The public announcement will then take place on the oneplace website on 10 December. There will be a plan in place to manage the internal and external communications associated with this announcement.

4 CAA Area Assessment for Somerset

- 4.1 The Area Assessment reviews performance against three overarching questions.

- How well do local priorities express community needs and aspirations?
- How well are outcomes and improvements needed being delivered?
- What are the prospects for future improvement?

The results of the Area Assessment will follow the same timetable as the Organisational Assessment and a joint response for Somerset will be coordinated through the Comprehensive Area Assessment Partners Group which represents each organisation at a senior level.

5. Conclusion

- 5.1 The results of the Comprehensive Area Assessment will be reported to this Committee on 21 January 2010. Any actions resulting from this assessment will be fed directly into the Corporate Action Plan (see report).

6 Recommendations

- 6.1 Members should be aware of the CAA requirements, how they affect Somerset and Taunton Deane Borough Council and raise any issues for clarification with Officers.

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TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 28th September 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 June 2009.

1. Purpose of Report

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

2. Work undertaken by Internal Audit July to September 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>▲ ★ ★ ★ Comprehensive 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 June 2009 as below:-

Audit area	Audit Opinion
Operational Audits	
Development Control	▲ ★ ★ ★ Reasonable Assurance
Homelessness	▲ ★ ★ ★ Reasonable Assurance
CCTV	▲ ★ ★ ★ Comprehensive Assurance
Social Networking	▲ ★ ★ ★ Reasonable Assurance
Governance Audits	
Information Governance	▲ ★ ★ ★ Reasonable Assurance
Gifts and Hospitality	▲ ★ ★ ★ Partial Assurance
Fees and Charges	▲ ★ ★ ★ Reasonable Assurance

Development Control

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:-

4 of the 20 applications reviewed were not made within the statutory 8 week deadline. Management have committed to a quarterly review of performance and will implement actions where required.

The Enforcement Policy is out of date and performance is not reported or monitored against it. Management have agreed to update the Enforcement Policy and report periodically to the Council's Planning Committee on the performance of the Enforcement Function.

Homelessness

Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

There have been several recommendations made because at the time of this audit the risks were still not managed effectively, however it is appreciated that management have identified several of these and are planning to introduce more robust controls in the near future. In particular, whilst the status of all deposits is not currently known it was clear that some good work has been done by the Housing Options Officer recently.

CCTV

Taunton Deane BC outsourced the Operations Room and maintenance of the CCTV cameras to Sedgemoor DC in August 2006, previously this was done from an Operations Room in Paul Street Car Park, Taunton. When CCTV was audited in 2005 we found over 20 control weaknesses and the system was poorly controlled. The current set up is very well managed with a clear strategy, good quality equipment, an effective maintenance programme, knowledgeable and experienced staff following best practice and good working relations with affected parties, notably the police. I am pleased to report that there are no significant findings that require the immediate attention of management.

Social Networking

I am able to offer reasonable assurance. Generally risks are well managed however some systems require the introduction or improvement of internal controls to ensure the achievement of objectives. We have also taken into account that the management of technology surrounding social networking is still in its emergent stages and that TDBC have implemented some effective controls that have prevented issues surrounding productivity loss during work hours.

Although we understand that TDBC have decided that a corporate presence using social networking will not be followed up, we would still recommend that management should consider forming a policy statement on the corporate use of social networking. This will then form part of the Access Control Policy, which is a key part of the framework supporting the Corporate Information Security Policy.

Governance Audits

Information Governance

When undertaking the review it was observed that generally all risks are well managed. However, there are some systems that require the introduction or improvement of internal controls to ensure that the objectives are met.

One of the main areas identified for strengthening procedures is the need for training for new staff and refresher sessions for existing staff on information governance. The analysis from the audit questionnaire issued to a sample of officers supported this conclusion. The implementation of these by HR and the Data Protection Officer will help to resolve this issue.

The review also identified that in some cases personal Information held on laptops and data sticks was insecure. The Performance & Client Manager agreed to consult with Southwest One with regards to the encryption of laptops & data sticks and the viability of ensuring this is rolled out over the Authority. This is likely to become increasingly important as more Council services become engaged with the Government Connects project.

Gifts and Hospitality

One of the main areas identified for strengthening of governance across the Council is the need to issue periodic reminders to staff and members of their obligation to report any gifts and hospitality as defined within the code of conduct.

The Legal & Democratic Services Manager is committed to ensuring policies and procedures are up to date and readily available to all officers. It is important for these documents to be effectively communicated across the authority to ensure risks continue to be well managed.

Also noted during the audit that there are some inconsistencies and although the staff handbook has recently been updated due to the implementation of the new SAP system, the Gifts and Hospitality Policy and Procedures were not looked at during this process and do not get reviewed or updated on a regular basis.

There is a risk that staff and councillors are using outdated information and not following the correct procedures. This could cause damage of reputation to the council and allegations of fraud or corruption. The Legal & Democratic Services Manager is has committed to review and rewrite the procedures.

Fees and Charges

Overall the Council has set realistic Fees and Charges for the services provided and there are controls in place to ensure that these are legal, accurate and approved by the appropriate decision-maker. The only area identified from this audit as a potential risk to the Council is the lack of an overarching Fees and Charges register in which to record all of the charges levied by the Council for the services provided. However, this recommendation has been agreed and I would expect to be able to give comprehensive assurance when this area is next reviewed.

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	Draft Report
IT Audit - Compliance against ISO27002 level one	Computer Audit	Draft Report
IT Audit – Disaster Recovery Planning	Computer Audit	Draft Report
Payroll	Managed Audit	Draft Report
Absence Management Qtr 1	Governance Audit	Draft Report
Health & Safety Qtr 1	Governance Audit	Draft Report
Pest Control Qtr 1	Operational Review	Draft
Food Safety Qtr 1	Operational Review	Testing
Income Collection Qtr 2	Governance Audit	Testing
Business Continuity Qtr 2	Governance Audit	Draft
Officers Claims and Allowances Qtr 2	Governance Audit	Report being drafted

4. Recommendation

The Committee should note the content of this report.

Contact Officer:-

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Corporate Governance Committee - 28 September 2009

Annual Governance Statement Action Plan - Update

Report of Strategic Finance Officer

(This matter is the responsibility of Executive *Councillor Nicola Wilson*.)

Executive Summary

This report gives an update on the Annual Governance Statement Action Plan.

1. Purpose of Report

1.1 This report gives an update on the Annual Governance Statement Action Plan.

2. Background

2.1 At the meeting of the Corporate Governance Committee on 18th May 2009 the Annual Governance Statement was approved. With the Annual Governance Statement was an action plan to monitor those actions highlighted within the Annual Governance Statement for 2008/09

2.2 It was agreed that the Action Plan be brought back to the Corporate Governance Committee to show the progress so far.

3. Progress So Far

3.1 There has been progress in many parts of the action plan and there are some tasks that are not due start until later on this year.

3.2 The updated Action Plan is shown in appendix A.

4. Recommendations

4.1 It is recommended that Members note the progress of the action plan.

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Appendix A

TASK	ACTIVITY	OFFICER	WHEN	PROGRESS SO FAR
To ensure that the Code of Corporate Governance is publicized internally and externally and regularly monitored to ensure that the Council is complying with it	To publicize the Code	CMT		No progress to report.
	To monitor the code			
To carry out a health check on the Council's ethical governance framework		Tonya Meers	By end of December 2009	
To review the Corporate Governance arrangements in relation to partnership working	To be put onto a future scrutiny agenda	Tonya Meers		To be decided by the Co-ordinating scrutiny committee.
	Guidance to be produced to members when they sit on outside bodies		May 2009	The guidance went through the Standards Committee on 15 th April 2009 and was signed by Alan Wedderkopp and reported through the Weekly Bulletin. An electronic version of the guidance has been circulated to all members. In due course this will be followed up at a Member's Briefing and reinforced by the distribution of a hard copy of the guidance too.
	Training for members on the guidance			
To ensure the Council realizes some benefits from the transformation projects, Pioneer	Ensure there is adequate risk management system in place to ensure that the governance arrangements are fit	Richard Sealy Kevin Toller	March 2010	There is a process in place to monitor the savings resultant from the Procurement Transformation project. A benefits tracking tool has been designed in connection with the SAP transformation projects. This will be implemented once all of the SAP

Appendix A

Somerset and SW1.	for purpose			implementation is complete. The Lead officer for Transformation within the Performance & Client team will start in October and will focus specifically on realizing the benefits from the transformation projects.
Change of the audit plan to include Governance, Fraud, and Corruption	Review what is currently in place	Chris Gunn		This is now within the 2009/10 Audit Plan. All SWAP partners have included a standard range of Governance type reviews will allow partners to share best practice in terms of governance. SWAP intends to pick up on Fraud Controls as part of the annual managed audits of the Council's key financial systems.
Performance Management and review of partnerships are being strengthened through the Strategy & Corporate theme		Richard Sealy	March 2010	The new corporate performance management process has been agreed by Corporate Scrutiny and the Executive. This will be fully implemented by 1 Apr 2010. A performance monitoring regime is already in place for Southwest One and performance against a suite of KPI's & SPI's is monitored on a regular basis. The Performance & Client Team are aiming to strengthen & improve these processes. The Performance & Client Team will be implementing improved performance monitoring arrangements in respect of the Tone Leisure and SWP partnerships..
To further strengthen the Scrutiny function	To implement the new structure	Tonya Meers	May 2009	The new structure came into effect following Annual Council on 13 th May 2009. The new Scrutiny Officer took up her post in May 2009. One of her tasks is to produce an Annual Scrutiny Report.
	To produce an annual report		April 2009	
	To implement recommendations of the IDeA peer review		December 2009	Some of the recommendations contained in the IDeA Report have now been implemented – changing our structure was one of the main ones. Other recommendations outstanding will be introduced at the appropriate time

Appendix A

To finalize the Risk Management and embed processes to ensure it's fit for purpose	To finalize the strategy	Simon Lewis		A consultant was commissioned to take forward Risk Management within the organization. This has resulted in a revised Risk Management Strategy and new corporate Risk Register with CMT action. Work was also undertaken to start embedding Risk Management in the Council will recommence shortly.
To take Health & Safety forward,	Highlight priority issues	David Woodbury		Issues have been highlighted to CMT for action.
	Increase knowledge and performance within the Council			The Health and Safety module of SAP is due to be implemented in 2010.
To formulate plans for service delivery in the loss of facilities following on from the plans developed in the event of Pandemic flu		John Lewis	March 2010	The majority of Pandemic Flu plans have been received and work has commenced on loss of facilities.
To review the operation of the internal controls governing the processing of Payroll data in light of the installation of SAP		Maggie Hammond	Dec 09	A meeting has been set up for 7 th October to begin the review of internal controls.
To develop the Council's Asset management arrangements		Mark Halligan/Trevor Miles SW1		The SW1 Property Service is currently working in conjunction with the Performance & Client Team to implement a new Asset Management planning and review process. The new process will be reported to CMT on 5 Oct 2009.

Appendix A

To fully review the Constitution and Financial regulations during 2008/09	To complete the review of the constitution	Tonya Meers	December 2009	Large sections of the constitution have been approved during the last year and the aim is to complete it by the end of this year.
	To complete review of the financial regulations	Maggie Hammond	March 2010	The financial regulations have been partial reviewed but they need to reflect the improved control brought about by the introduction of SAP.
To implement improvements following the external auditors use of resources assessment 2007/08		Richard Sealy		Improvements have been made on the statement of accounts which affect the use of resources score.
To complete the Core Council Review and thematic working		CMT		The managers for theme 2 and 4 have been appointed and are preparing structures for the new themes. Turner and Townsend have been appointed to review options for the DLO (theme 3)
To ensure that the SW1 action plan, in response to the closure of the 2008/09 accounts is followed		Maggie Hammond	September 2009	The action plan was implemented. The audit of the 2008/09 is still ongoing but no major/material issues have been identified.



Corporate Governance Committee – 28th September 2009

CHANGES TO THE CONSTITUTION

Report of LEGAL & DEMOCRATIC SERVICES MANAGER

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

EXECUTIVE SUMMARY

This report details the changes to the Constitution that are required to update the Standards Committee terms of reference following the implementation of the Standards Committee (Further Provisions) (England) Regulations 2009. In addition some minor amendments have been made to the Standing Orders and are required to be approved.

1. Purpose of the Report

- 1.1. Corporate Governance Committee is required to recommend to Full Council that the changes to the Constitution as set out in this report be approved.

2. Background

- 2.1 Every local authority is required to have a constitution and that constitution should be kept up to date with all relevant information on how the Council operates and gives details of its political and management structures.
- 2.2 The above regulations came into force on the 15th June 2009 and amongst other things amended the way in which dispensations were granted. As such it was felt by the Standards Committee that some minor changes needed to be made to the way in which these dispensations were granted in order to make the process as flexible as possible.
- 2.3 In addition upon further consideration of the Standing Orders it was felt that more flexibility was required on the timing for members to submit motions to Full Council and that more clarity was required in order for members to be clear as to what they could do at a meeting when they had a prejudicial interest and the Standing Orders have therefore been amended to reflect this.

3. Recommendation

- 3.1 That Full Council be recommended to approve the changes to the constitution as set out in the Appendix attached to this report.

Article 8 The Standards Committee

8.1 Standards Committee

The Council will establish a Standards Committee.

8.2 Constitution

(a) Membership

The Standards Committee will be composed of at least:

- (i) one member from each of the political groups who are then represented on the Council [currently there are three such Groups];
- (ii) seven people who are not councillors or officers of the Council or of any County, District or Unitary Council or of any Parish Council within Taunton Deane (these are referred to as "Independent members");
- (iii) (subject to the same exceptions as (ii) above) three members of a parish council from within Taunton Deane who shall represent the interests of all such Parish Councils (the Parish Members);
- (iv) members of the Standards Committee will hold office from one Annual Meeting until the next - at which point their appointments shall be either renewed or terminated at Annual Council.

(b) Independent members

Independent members (see 8.2(a)(ii) above):-

- (i) shall be selected in accordance with the statutory rules prescribed under The Standards Committee (England) Regulations 2008 ;
- (ii) will be entitled to vote at all meetings of the Committee or on any sub-committees to which they have been appointed by the Standards Committee.

(c) Parish Members

A Parish Member must be present at any meeting of the Standards Committee when matters relating to Parish Councils or their members are being considered.

(d) **Chairing the Committee**

The Committee shall be chaired by an independent member.

(e) **Substitutes**

No substitute members shall be permitted to either the main Committee or to any sub-committee unless there is a conflict of interest that affects all elected members on the Committee that cannot be overcome in any other way.

(f) **Sub-committees**

The Standards Committee shall, in accordance with the Standards Committee (England) Regulations 2008, appoint sub-committees to assess complaints received against members where allegations are made that a member has failed to comply with the code of conduct; where this happens the following limits will apply:-

- (i) the quorum (that is, minimum size at which business may be transacted) shall be 3;
- (ii) All sub-committees shall be chaired by an Independent member;
- (iii) All sub-committees shall include at least one elected member;
- (iv) where a Parish Councillor is the subject of a complaint then a Parish Member (unless s/he is the subject of that investigation) shall be appointed to that sub-committee.

(g) The Standards Committee may appoint a sub-committee to determine any application for a dispensation should time be of the essence in the application (however there must be compliance with the statutory time limits on notification of meetings).

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(h) Any sub-committee set up to determine dispensations shall adhere to the limits as set out in (f) above.

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8.3 Role and Function

The Standards Committee will have the following roles and functions in relation to the Borough Council and Parish Councils within Taunton Deane.

- (a) promoting and maintaining high standards of conduct by councillors and co-opted members;
- (b) assisting the councillors and co-opted members to observe the Members' Code of Conduct;
- (c) advising the Council on the adoption or revision of the Members' Code of Conduct;
- (d) monitoring the operation of the Members' Code of Conduct;
- (e) advising, training or arranging to train councillors and any co-opted members on matters relating to the Members' Code of Conduct;
- (f) granting dispensations to councillors and any co-opted members from requirements relating to interests set out in the Members' Code of Conduct or delegating such power to a sub-committee, who will be authorised to determine such dispensations based on principles agreed by the Committee;
- (g) assessing complaints made against members of the Borough Council and Parish Councils within the Taunton Deane Borough in relation to breaches of the code of conduct;
- (h) conducting consideration hearings following receipt of reports from the Monitoring Officer into a member's alleged misconduct.
- (i) conducting hearings on reports as to alleged contraventions of the Members' Code, and deciding upon appropriate sanctions.

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PROCEDURE RULES FOR FULL COUNCIL (STANDING ORDERS)

STANDING ORDERS (updated 2009)

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Those marked * apply to Council and to the Committees

PART I – MEETINGS OF THE COUNCIL

ORDER OF BUSINESS

- 1.** At meetings of the Council, the order of business shall be as follows:-
 - (1) To elect a councillor to preside if the Mayor and Deputy Mayor are absent;
 - (2) To transact any business required by statute to be done before any other business;
 - (3) To receive the minutes of the preceding meeting and, if agreed, to order that they be signed as a correct record;
 - (4) To receive any communications;
 - (5) To deal with questions from Taunton Deane electors under Standing Order 15;
 - (6) To receive petitions or deputations from Taunton Deane electors under Standing Orders 16 & 17;
 - (7) To transact any business adjourned from previous meetings;
 - (8) To consider Motions received under Standing Order 4;
 - (9) To consider reports from Executive Councillors;
 - (10) To consider any reports submitted by the Overview & Scrutiny Committees, Standards Committee or from an Officer;
 - (11) To deal with questions asked under Standing Order 14(2);
 - (12) To transact any other business which the Mayor is prepared to certify as of such urgency that it must be disposed of at this meeting.

VARIATION OF ORDER OF BUSINESS *

- 2.** The Mayor may, with the consent of the Council, vary the order of business.

MINUTES *

3. (a) At the next ordinary meeting, the Mayor shall, with the Council's assent, sign the minutes of the business transacted at the previous meeting as a correct record.
- (b) The only discussion allowed upon the Minutes shall be as to their accuracy, and any objection upon that ground shall be made by motion. A question may be put to the Mayor as to the accuracy of the Minutes.

NOTICES OF MOTION

4. (1) If a councillor wishes to move a motion at a meeting of the Council then notice in writing shall be given to the Legal and Democratic Services of its terms and the name of a Councillor who has agreed to second it. Such notices shall be dated, numbered as received and available for the inspection of councillors.
- (2) Twelve calendar days notice is needed in order to have a Notice of Motion included in the Summons. This means that written notice must be delivered to the Democratic Services Manager's office by 12 noon on the Monday week prior to the day on which the Council Meeting is to be held.
- (3) The motion shall relate to the work of the Council or the interests of people living in the Borough.
- (4) A motion shall not be taken if its proposer is not present, unless another councillor has been asked to propose it and the Council so agree.
- (5) Such motions shall be taken before the reports of the Executive Councillors have been presented
- (6) A motion or amendment to rescind a decision within 6 months of it being approved should be made in accordance with Standing Order 23 of this Constitution

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MOTIONS DURING A DEBATE *

5. (1) A Councillor may at the conclusion of a speech of another Councillor, move without comment one of the following motions: -
 - (a) to amend the motion;
 - (b) to postpone consideration of the motion;

- (c) to adjourn the meeting;
- (d) to adjourn the debate;
- (e) to proceed to the next item of business;
- (f) that the question be now put;
- (g) to request a recorded vote; see standing order 18(2)
- (h) that Councillor _____ be not further heard;
- (h) that Councillor _____ do leave the meeting;
- (i) that the (identified) recommendation be referred back for further consideration;
- (j) that the press and public be excluded;
- (k) to suspend any one or more Standing Orders during all or part of the meeting;
- (l) to refer a petition which has been presented to a meeting of the Council to a Committee for consideration;

5(2) If the motion is seconded then (subject to the proviso set out in (c) below) the Mayor shall proceed as follows:-

- (a) the motion shall be put to the vote forthwith and without discussion;
- (b) then - subject only to the right of reply of the councillor who either presented the report or who proposed the original motion - the motion shall be immediately acted upon;
- (c) The Mayor shall have the discretion not to accept such a motion when of the opinion that the matter before the meeting has not yet been sufficiently discussed.

5(3) In the consideration of applications for development under the Town and Country Planning Act 1990 (as amended), where a motion to grant or refuse permission is lost, and there is no amendment, then the direct negative of that motion will be the minuted resolution of Development Control Committee. The reasons for refusal, or conditions in the case of an approval, will be those referred to at the meeting or recommended in the officer's report to the committee.

AMENDMENTS *

- 6. (1) An amendment shall be either –
 - (a) to leave out words;

- (b) to leave out words and insert or add others; or
 - (c) to insert or add words;
- but shall not have the effect of introducing a significantly different proposal or of negating the motion
- (2) Before moving an amendment a Councillor shall ensure that there is likely to be a seconder for that amendment.
 - (3) When an amendment has been moved and seconded no further amendments shall be moved until the first amendment has been voted upon.
 - (4) If an amendment is carried, it shall be incorporated into the motion which shall become the substantive motion upon which further amendments may be moved. If an amendment is voted down, further amendments may then be moved on the motion.
 - (5) With the agreement of any seconder and with the assent of the Council, given without comment, a councillor proposing a motion or amendment may:-
 - (a) Withdraw that proposal, or
 - (b) Alter its wording, or
 - (c) Accept an amendment
 - (6) If there is to be an amendment to the proposed budget then it must be received by the Democratic Services Manager by 12 noon the day before the Council meeting.

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POINTS OF ORDER OR PERSONAL EXPLANATION

- 7. A councillor may rise on a point of order or in personal explanation and shall be allowed by the Mayor to be heard forthwith.
 - (1) A point of order shall relate only to an alleged breach of a specified Standing Order or statutory provision and the councillor raising it shall immediately identify how it has been broken.
 - (2) A personal explanation shall be confined solely to a brief explanation of how a speech in the current debate by that councillor appears to have been factually misunderstood. It shall not be used to introduce new material.

PART I REPORTS OF EXECUTIVE COUNCILLORS

- 8.** (1) An Executive Councillor shall submit a report to each Full Council meeting. The report shall be in two parts.
- (2) Part I shall contain recommendations and Part II shall contain reports as to current and future business for the information of and comment from the Council.
- (3) Each recommendation shall be proposed separately by the Executive Councillor, or, in his/her absence, by the Leader of the Executive; it shall not need to be seconded before being discussed.
- (4) The normal rules of debate will apply to the recommendations contained in Part I

PART II OF EXECUTIVE COUNCILLORS' REPORTS

9. (1) When Part II of an Executive Councillor's report is being considered, Councillors may, upon items referred to in that report :-

- (a) submit written questions to be received by the Democratic Services Manager by 4pm 2 working days before the Council meeting;
- (b) Responses will be given to these questions and 1 further supplementary question will be allowed related to the question arising from the answer to seek further clarification;
- (c) Verbal questions will be allowed which may be answered verbally or in writing within 5 working days.
- (2) Part II items are for information, discussion and comment only and no motion shall be put to the meeting as to any such item - other than those closure motions described in Standing Order 5.
- (3) A councillor may not speak on Part II of a report if a recommendation relating to that same item has already appeared in Part I of a report submitted at that meeting.
- (4) The Executive Councillor may introduce Part II of his report and update the Council on developments that have taken place since the report was dispatched.

PROPOSERS AND SECONDEES

- 10.** (1) If the mover of a motion or of an amendment sits down without speaking to it, the right to speak shall be lost but the mover of a motion shall retain the right of reply.

- (2) The seconder of a motion or of an amendment may declare that s/he is reserving the right to speak:-
 - (a) until later in the debate; or
 - (b) until it appears to the Mayor that - at that point - there are no more speakers to be called and before the mover of the motion exercises the right of reply.

RIGHTS TO SPEAK DURING DEBATES

11. A councillor who has spoken once on any motion, amendment or on an Executive Councillor's report may not speak again. The exceptions to this rule are that a councillor who has already thus spoken may also:

- (1) speak once to an amendment moved by another member;
- (2) move a subsequent amendment; if a councillor wishes to exercise this right, then s/he shall immediately make the purpose of this second speech clear to the Mayor
- (3) exercise a right of reply under Standing Order 12, or,
- (4) make a point of order or personal explanation.

RIGHTS OF REPLY

- 12. (1)** (a) The mover of a motion shall have a right of reply to any debate on that motion.
(b) The member of the Executive presenting a report shall have a right of reply to any discussion upon that report.

In both cases this right shall be in addition to that councillor's speech introducing the motion or the report.

- (2) The mover of a motion shall also have a right of reply to any debate:-
 - (a) on any amendment to that motion,
 - (b) on a reference back to the Executive of that recommendation, and
 - (c) immediately before the following closure motions are put to the vote:-

- (i) to postpone consideration of the motion,
 - (ii) to adjourn the debate
 - (iii) that the question be now put.
- (3) The Executive Councillor presenting a report shall also have a right of reply to the following closure motions immediately before they are put to the vote:-
 - (a) that the Council proceed to the next business;
 - (b) to adjourn the debate; or
 - (c) that the question be now put.
- (4) A councillor who has moved a motion or introduced a report shall only have the further rights to speak which are defined in this Standing Order but shall not otherwise speak during that debate.
- (5) A councillor exercising a right of reply shall not introduce new factual material.
- (6) The mover of an amendment or of any of the procedural motions referred to in Standing Order 5 shall not have a right of reply.

SPEECHES

13. (1) (a) A councillor shall not speak on a motion or amendment or on an Executive Councillor's report for longer than three minutes.
- (b) The exceptions to this rule shall be that:-
- (i) the mover of a recommendation (or of a motion of which notice has been given in accordance with Standing Order No.4) may speak for not more than ten minutes when moving such recommendation or motion, and
 - (ii) a councillor exercising a right of reply may speak for 5 minutes
- (2) A councillor shall normally stand when speaking and shall address the Mayor. When the Mayor rises all councillors shall be silent. No-one else shall speak until the Chair has been resumed.

QUESTIONS FROM COUNCILLORS

- 14** (1) At a Full Council meeting any Councillor, upon giving 5 working days written notice to the Democratic Services Manager, may ask the Mayor a question on a matter which concerns the Council's functions, powers, duties and which affects the borough.
- (2) Any Councillor, upon giving 2 working days written notice to the Democratic Services Manager, may ask the Leader of the Council, a portfolio holder, chairman of a committee or another member who has been appointed to an outside body, a question which concerns the Executive's or committee's functions, powers and duties or the work of the outside body and which affects the borough.
- (3) The leader, portfolio holder, or committee chair may direct the question to be answered by the Chairman of the appointed sub-committee which has been delegated the subject matter of the question.
- (4) The member asking the question may ask a supplementary question related to the question or arising from the answer to seek further clarification.
- (5) Questions are to be asked and answered without further discussion by other members present. The Leader of the Council or a committee chairman to whom the question has been addressed may ask another member or officer to answer it if they are of the opinion that a discussion is required or they may refer it to another relevant meeting of the Executive or Committee.

PUBLIC QUESTION TIME *

- 15.** (1) Subject to paragraph (10) of this Standing Order, questions from Taunton Deane electors shall be taken in accordance with the procedure in this Standing Order at the beginning of each meeting.
- (2) The period allowed for questions and answers shall not exceed 15 minutes except with the consent of the Mayor; each individual questioner shall be restricted to speaking for a total of four minutes.
- (3) Questions shall be directed to the Mayor, who may request the appropriate member or officer to reply.

- (4) Every question shall relate to matters over which the Council has powers or duties and which particularly affect the Borough and shall be put and answered without discussion.
- (5) However, if a question relates to a ward-based issue, the Mayor shall invite a contribution from one councillor representing that ward before calling for the formal reply.
- (6) Questions shall not be disallowed merely because advance notice in writing has not been given. Such questions may not be answered immediately but later in writing. However it is always preferred that questions are put in writing in order to assist members and officers to be able give answers at the meeting.
- (7) An answer may take the form of:-
 - (a) an immediate oral answer; or
 - (b) a written answer where the necessary information is not readily available.
- (8) Subject to the time limit in paragraph (2) above, and to the discretion of the Mayor, the questioner shall be permitted to ask one supplementary question relating to the issue raised.
- (9) Any question shall be disallowed which the Mayor believes to be scurrilous, offensive, improper, repetitious, capricious, irrelevant or otherwise objectionable.
- (10) The procedure for taking questions or statements from members of the public at meetings of the Planning Committee shall follow such pattern as agreed from time to time by that Committee to best take account of its needs for public involvement.

PRESENTATION OF PETITIONS *

- 16 (1) (a) A "Formal Petition" is one which its promoters wish to appear on the agenda of the next appropriate Scrutiny Committee for discussion and for recommendation on to the Executive - or to the relevant Executive Councillor – for decision. For

such petitions the formal procedure set out in this Standing Order should be followed.

(b) An “Informal Petition” is one where its promoters wish the feelings of a significant number of the local community to be drawn to the attention of the Council before a decision is made on a particular matter. Where such an informal petition is received:-

(i) The decision-maker shall be informed of the terms and level of support for such a petition when any report is submitted recommending that a course of action should be adopted.

(ii) The promoter of the petition shall be notified of any public meeting at which the issue is to be discussed or decided and shall subsequently be notified of the Council's decision.

(c) The choice of which route to follow shall be at the discretion of the petition's promoter.

(2) A Formal Petition may be presented at any meeting of the Council (or of its Executive or any Committee) by any Taunton Deane elector, if the Democratic Services Manager, at least 12 calendar days before the meeting, shall:-

- (a) have received notice in writing of the intention to submit the petition and of its content, and
- (b) have been shown the petition;

provided that the Mayor may, because of special circumstances, give approval to a lesser period of notice.

(3) Subject to the Democratic Services Manager being satisfied that the formal petition complies with this Standing Order, its content and the number of its signatories shall be described on the agenda for the meeting.

(4) The Mayor shall invite the promoter to present the formal petition. In so doing, the promoter may speak in its support for not more than 4 minutes – or such longer period as the Mayor shall decide.

- (5) If the formal petition is presented to a meeting of the Full Council, the Chair of the relevant Scrutiny Committee shall, with the assent of the Council (given without discussion), accept it for consideration at the next meeting of that Committee; the promoter shall be invited to attend that meeting.
- (6) Where a formal petition is presented first to a Scrutiny Committee or to the Executive (after the necessary notice has been given under paragraph 2 above), the meeting shall decide whether:-
 - (a) to consider it immediately; or,
 - (b) to defer consideration to the next meeting; or,
 - (c) refer it to a Committee for its advice or for it to deal with.
- (7) An Informal Petition may be presented without notice at any meeting but shall not be acted upon unless it relates to an item of business already on the meeting's agenda for which proper notice has already been given.
- (8) For the purposes of this Standing Order, "petitions" shall mean requests consisting of a significant number of signatures of Taunton Deane electors relating to matters over which the Council (or that Committee) has powers or duties or which particularly affect the Borough or its residents.

DEPUTATIONS *

- 17.(1) Any Taunton Deane elector may ask that a deputation should be received by a meeting which has powers or duties relating to the matter of concern to that deputation.

Such a request shall be made by written notice to the Democratic Services Manager at least 3 working days before the meeting to which it relates unless the Mayor has, because of special circumstances, given approval to a lesser period of notice.

- (2) The person making the request shall indicate in the notice:-
 - (a) the matter to which the request relates;
 - (b) the number and the names and the addresses of those making up the deputation, and

- (c) the name of the leader who will speak for them
- (3) On being called by the Mayor the leader of the deputation may speak for not more than 4 minutes about the matter described in the notice given.
- (4) For a further period of 5 minutes, councillors may ask questions of the deputation, which questions shall be asked and answered without discussion.
- (5) Having heard from the deputation, the Mayor (or councillor chairing the meeting) may either:-
 - (a) give an immediate oral response to their request, or
 - (b) ask that an immediate oral response be given to the deputation by the Leader (or other Executive Councillor who is present) or by an officer; or,
 - (c) call for a report to be considered at the next meeting of that – or the relevant Committee unless the request relates to business which is already on the Committee's agenda.
 - (d) ask that a written answer be given to the deputation where the necessary information is not readily available.

VOTING *

18 (1) All motions and amendments, unless the law otherwise requires, shall be decided by affirmation or by a show of hands, as the Mayor shall choose.

- (2) If before the Mayor calls for the vote, either,
 - (a) the mover and seconder of the motion - or of the amendment, or,
 - (b) any councillor supported by the votes of at least a quarter of the councillors present,

request that a Recorded Vote be taken, then votes shall be publicly declared, and recorded in the minutes.

- (3) In addition to the option under SO 18 (2), any member may require - immediately after a vote is taken - that the manner in which that member's vote was cast (for, against or abstaining) shall be recorded in the minutes.
- (4) Where a vote is taken upon the choice of more than two candidates for an appointment and there is not an absolute majority in favour of one candidate, the candidates receiving the least number of votes shall be excluded and a further vote taken, the procedure being continued until there is an absolute majority in favour of one candidate.
- (5) (a) in the case of an equality of votes, the Mayor shall have a second or casting vote.

(b) The Mayor shall have unfettered discretion as to its use for against the proposition.

OFFENSIVE OR DISORDERLY CONDUCT *

19. (1) If at a meeting a councillor uses an expression which another councillor believes is offensive and the latter draws the attention of the Mayor to it, the Mayor may request the councillor to withdraw the expression.
- (2) If at a meeting the Mayor believes a councillor to be guilty of persistently disregarding the ruling of the Chair by behaving improperly or offensively, or by deliberately obstructing business, the Mayor or any other councillor may move "that Councillor_____ be not further heard" and the motion, if seconded, shall be put to the vote and voted on without discussion.
- (3) If a councillor continues to behave improperly after such a motion has been carried, the Mayor may either:-
 - (a) move "that Councillor_____ do leave the meeting", or
 - (b) adjourn the meeting for a specified period;

if seconded the motion shall be put and voted on without discussion,

- (4) If a councillor does not leave the meeting after a resolution to that effect, the Legal and Democratic Services Manager shall arrange for the removal of the councillor and shall take such measures as may be necessary to prevent the councillor from re-entering the meeting.
- (5) In the event of any significant disturbance which makes the due and orderly dispatch of business impossible, the Mayor, in addition to the exercise of any other power, may, without the need for the Council's approval, adjourn the meeting for such period as s/he thinks necessary.

DISTURBANCE BY MEMBERS OF THE PUBLIC *

- 20 (a) If a member of the public interrupts the proceedings at a meeting, the Mayor shall request that there be no further interruptions. If the interruptions continue the Mayor shall order the removal of the person interrupting from the room.
- (b) If there should be general disturbance in any part of the room open to the public the Mayor may order that part to be cleared.

INTERESTS OF MEMBERS AND OFFICERS *

- 21. (1) Where at a meeting any matter is being considered in which a councillor then present has a "*prejudicial interest*" as defined by the Council's adopted Code of Conduct, that councillor shall be entitled to make representations, answer questions or give evidence provided that members of the public also have the same right. The Councillor must then leave the meeting immediately thereafter unless:-
 - (a) a dispensation has been granted by the Council's Standards Committee in exercise of its powers under the Local Government Act; or,
 - (b) the item merely forms part of minutes submitted and is dealt with as "for information" only.

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Deleted: is one before the Planning or Licensing Committees, in which case the member may be able to address the committee before leaving the meeting before any debate and vote; or that the item

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(2) Where a councillor present at such a meeting has a “*personal interest*” (as defined in the adopted Code) which is not a “*prejudicial interest*” then the councillor shall immediately draw the attention of the meeting to that personal interest.

(3) (a) Any officer of the Council present at a meeting when an item involving a disclosable interest is under consideration shall draw the attention of the meeting to that interest.

(b) A “disclosable interest” is an interest which, if the officer were a Member of the Council, would need to be declared under the Council’s adopted Code of Conduct as a *prejudicial interest*.

(c) No such duty shall arise regarding an item which merely relates to the general terms and conditions of employment of all staff employed by the Council.

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EXCLUSION OF PRESS AND PUBLIC *

22(1) Press representatives and public shall withdraw from a meeting if an exclusion resolution (under the Local Government (Access to Information) Act 1985) is passed. [see Part 4B of the Constitution]

(2) Even where an item or report has been marked either “Exempt” or “Confidential”, it is for the meeting itself to decide whether – taking the wider public interest into account - the item (or part of it) should nevertheless be considered in the presence of the press and public.

(3) If an issue should arise during a debate as to the appointment, promotion, dismissal, salary, conditions of service or conduct of any identifiable employee of the Council, the councillor chairing the meeting shall move the exclusion resolution (due to the likelihood that exempt information about a particular employee would be disclosed to the public).

The motion shall be immediately approved or rejected before the issue is further considered.

- (4) When an exclusion resolution is passed those permitted to remain include all those who are members of the Council, the officers or consultants serving that meeting and those specifically invited by the meeting to remain for reasons set out in the minutes.

RESCINDMENT & VARIATION OF RESOLUTIONS *

23. (1) A resolution passed within the previous six months shall not be rescinded or varied unless either:-
 - (a) there has been a significant change of circumstances (noted in the minutes of the meeting) since the previous resolution was passed and is agreed by 50% of the members, or
 - (b) by resolution of the Full Council on a motion of which notice has been given under Standing Order 4 signed by not less than 12 members.
- (2) Where it is intended that such an item should appear on the agenda for a meeting, the agenda item shall say that this "6 month rule" applies.
- (3) This Standing Order shall not apply in the case of a planning or licensing application.
- (4) Every such notice of motion shall specify the resolution to be rescinded or varied

RULING OF THE MAYOR *

24. The ruling of the Mayor on any question under these Standing Orders, on a point of order, or, on the admissibility of a personal explanation shall be final and shall not be open to discussion.

QUORUM *

- 25** No business shall be transacted at a meeting unless at least the indicated number of its members is present:-

Meeting	Quorum
Full Council	14
Planning Committee	5
The Executive	3
The Overview & Scrutiny Committees	4
Any other Member body	¼ of its members, or 2 (whichever is the greater)

AGENDA AND ATTENDANCE AT MEETINGS

- 26.** (1) A councillor has the right to receive agenda and papers for all meetings of the Council, the Executive, the Overview & Scrutiny Committees and the Planning Committee and to attend and speak at all such meetings – whether the councillor is a member of the body or not.
- (2) This right to be treated as a participating member of these bodies shall not extend to their sub-groups which have been convened to act
- (a) in a quasi-judicial role on the Council's behalf in relation to such matters as staff disciplinary appeals, licensing hearings, or to deal with staff appointments or other specifically identified matters, or
- (b) as Task and Finish scrutiny panel
- (3) With those bodies listed in (2) above:-
- (a) The right to attend shall be the same as for members of the public

- (b) The right to contribute to the discussion shall be at the discretion of the councillor chairing that meeting.
- (4) In order to avoid any doubt:-
 - (a) The rights under paragraph (1) shall also extend to Exempt items of business.
 - (b) Councillors attending a meeting by virtue of this Standing Order shall not have a right to vote nor shall their attendance rank as an “approved duty” under the Members Allowances Scheme.

SUMMONING OF MEETINGS

- 27.** Those listed below may request the Legal and Democratic Services Manager to call a Full Council meeting in addition to ordinary meetings:-
- (a) The Council (by resolution),
 - (b) The Mayor,
 - (c) The “Designated Officers” [see *Constitution - Article 12*],
 - (d) Any five members of the Council - if they have signed a requisition presented to the Mayor and the Mayor has either refused to, or has failed to call, such a meeting within seven days of presenting their requisition.
 - (e) The notice convening such a requisitioned meeting shall state the names of those councillors requesting it and the business which they wish to have dealt with

TIME LIMITS FOR ALL MEETINGS*

- 28.** (1) A meeting of full council or other committees including Overview and Scrutiny committees shall not exceed three hours in duration except in accordance with 30 below.
- (2) If the business of the meeting has not been completed within that time the Mayor or Chairman will interrupt the debate to announce the time and call for a vote to be taken immediately on the item under discussion.
- (3) No member will be able to address the meeting after the Mayor’s or Chairman’s interruption on any item appearing on the agenda.

- (4) Any items remaining on the agenda, which have not been considered, will be adjourned to the next scheduled meeting or a date to be fixed before the meeting adjourns.
- (5) Any suspension of time for adjournments during the meeting shall not count towards the 3 hour time limit.

SUSPENSION OF COUNCIL PROCEDURE RULES*

- 29. (1) A motion to suspend a particular procedural rule shall state the particular purpose and require a majority of at least half the total number of members appointed to that Council Meeting or Committee.
 - (2) on occasions that rule 29(1) (guillotine) is being waived, the duration of the suspension shall not exceed 30 minutes and shall, if seconded, be put to the vote without discussion.
 - (3) Rule 29(1) can only be suspended once per meeting. However the Mayor, Chairman of Planning Committee or Chairman of the Licensing Committee may decide otherwise in respect of the meeting they are chairing. This will generally only occur in exceptional circumstances.

- (4) Rules 21 and 25 cannot be suspended. But section 5 still applies

APPLICATION OF STANDING ORDERS *

- 30. These Standing Orders shall apply to meetings of the Full Council. Those Standing Orders marked “*”, shall also apply to meetings of all Regulatory Committees, the Overview and Scrutiny Committees (subject to the necessary changes in wording).
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Corporate Governance Committee – 28 September 2009

Present: Councillor Williams (Chairman)
Councillors Critchard, Denington, Govier, Henley, O'Brien, Paul,
A Wedderkopp, Mrs Whitmarsh and Mrs Wilson

Officers: Mrs G Croucher (Democratic Services Officer), Ms M Hammond
(Strategic Finance Officer), Mr C Gunn (Group Auditor, South West
Audit Partnership), Mrs R James (Performance and Client Lead), Mr R
Sealy (Performance and Client Manager) and Mr D Woodbury (Health
and Safety Advisor)

Also Present: Mr T Bowditch and Mr B Bethall (Audit Commission)

(The meeting commenced at 6.15 pm)

30. Declarations of Interest

Councillors Govier, Henley and Paul declared personal interests as Members of Somerset County Council.

31. Annual Governance Report

Mr Brian Bethell and Mr Terry Bowditch of the Audit Commission (AC) introduced Taunton Deane Borough Council's Annual Governance Report 2008/2009.

Details of key areas of judgement and audit risk were reported, together with weaknesses identified in internal control.

A number of errors that had been identified in the financial statements were reported. The accounts had been adjusted and a revised financial statement would be presented to the Committee.

The draft Management Representation Letter was presented for the approval of Members.

Resolved that approval be given to sign the Management Representation Letter.

32. Corporate Improvement Plan Governance

Considered report previously circulated, concerning the proposals to strengthen the governance process to ensure ownership, monitoring and delivery of each action in the Corporate Action Plan.

Under the new Comprehensive Area Assessment regime, there were two organisational assessments, Use of Resources and Managing Performance, as well as the Area Assessment for Somerset. To assess these, the Audit Commission had carried out an inspection and had made recommendations.

There were a number of corporate actions that needed to be completed in order to meet set Government standards, including the Data Quality Action Plan and Risk Management Plan. All corporate actions would be fed into the Corporate Action Plan.

As a result of the Core Council Restructure, progress on the Corporate Action Plan had not been reported for 18 months, but this would be reported at the meeting in December 2009.

The Performance and Client Team took responsibility for putting together the Corporate Action Plan but the Corporate Management Team (CMT) would have ownership. Actions would be allocated an owner and each owner would be responsible for delivering actions and feeding back progress on a quarterly basis.

Progress would be reported on a quarterly basis to CMT. If actions were 'off track', CMT would be responsible for ensuring sufficient resources were allocated.

Members requested that the Action Plan should be reported on a quarterly basis.

Resolved that the report be noted.

33. Comprehensive Area Assessment Update

Reported that the Comprehensive Area Assessment (CAA) had come into effect in April 2009 and would change how public sector organisations would be assessed.

The CAA would look at how well local services were working together to improve the quality of life for local people. It was a joint assessment of the performance of local public services and how they would meet local priorities.

Feedback on Taunton Deane's organisational assessment, including Use of Resources and Managing Performance would be sent to the Council on 19 October 2009 and would include a full narrative following the Audit Commissions Inspections and Taunton Deane's organisational score. If a review of the organisational assessment or overall score was required, an application would need to be submitted to the Audit Commission by 23 October 2009.

A further narrative was due on 4 December 2009, which would be made public on 10 December 2009.

The Area Assessment reviewed performance against three overarching questions:

- How well did local priorities express community needs and aspirations?

- How well were outcomes and improvements needed being delivered?
- What were the prospects for future improvement?

The Audit Commission would report on the CAA in January 2010 and any actions arising would be fed directly into the Corporate Action Plan.

Resolved that the report be noted.

34. Internal Audit Plan – Progress Review

Considered report previously circulated which provided an update on the significant findings and recommendations for the period July to September 2009.

Details were also reported of the operational audits and managed audits completed since June 2009 which included the main issues raised and the management responses thereto.

Details of the reviews currently in progress were also provided.

Resolved that the report be noted.

35. Annual Governance Statement Action Plan Update

Considered report previously circulated, concerning the Annual Governance Statement Action Plan.

The Annual Governance Statement Action Plan had been approved by the Corporate Governance Committee at the meeting on 18 May 2009. An action plan was produced to monitor actions highlighted.

There had been progress in many parts of the action plan and there were some tasks that were not due to start until later in 2009.

Resolved that the report be noted.

36. Changes to the Constitution

Considered report previously circulated, concerning changes to the Constitution that were required to update the Standards Committee terms of reference following the implementation of the Standards Committee (Further Provisions) (England) Regulations 2009.

The Standards Committee (Further Provisions) (England) Regulations 2009 came into force on 15 June 2009 and had amended the way in which dispensations were granted. It was felt by the Standards Committee that some minor changes were needed to the way in which these dispensations were granted in order to make the process as flexible as possible.

It was also felt that in respect of Standing Orders, more flexibility was required on the timing of Members to submit motions to Full Council and that clarity was required in relation to prejudicial interests.

Resolved that Full Council be recommended to approve the changes to the constitution.

37. Health and Safety Update

Mr David Woodbury, the Health and Safety Advisor, presented the Health and Safety Report updating Members on strategic issues including the DLO.

Resolved that the current position be noted.

(The meeting ended at 7.30pm)