

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 11 March 2013 at 18:15.

Agenda

- 1 Apologies.
- 2 Minutes of the meeting of the Corporate Governance Committee held on 10 December 2012 (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 Grant Claims Report 2011/2012. Report of the Strategic Director (attached).

Reporting Officer: Shirlene Adam
- 6 Update on Health and Safety. Report of the Corporate Client Manager (attached).

Reporting Officer: Richard Sealy
- 7 TDBC Response to the Equality Act : Current Performance, SWAP Audit and Proposed Action Plan. Report of the Strategy and Performance Lead Officer (attached).

Reporting Officer: Mark Leeman
- 8 Risk Management. Report of the Performance Lead (attached).

Reporting Officer: Dan Webb
- 9 Internal Audit Plan Progress 2012-2013. Report of the Group Audit Manager (attached).
- 10 Internal Audit Plan 2013/2014. Report of the Group Audit Manager (attached).

- 11 Corporate Governance Committee Forward Plan - details of forthcoming items to be considered by the Corporate Governance Committee and the opportunity for Members to suggest further items (attached)

Tonya Meers
Legal and Democratic Services Manager

16 September 2013

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.

Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, 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.

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Corporate Governance Committee Members:-

- Councillor A Beaven
- Councillor S Coles
- Councillor B Denington
- Councillor E Gaines
- Councillor A Govier
- Councillor T Hall
- Councillor J Hunt
- Councillor L James
- Councillor R Lees
- Councillor D Reed
- Councillor V Stock-Williams
- Councillor P Tooze
- Councillor A Wedderkopp

Corporate Governance Committee – 10 December 2012

Present: Councillor A Wedderkopp (Vice-Chairman) (in the Chair)
Councillors Beaven, Coles, Denington, Gaines, Hall, Horsley, Hunt,
Miss James, Mrs Reed, P. Smith, and Mrs Stock-Williams.

Officers: Shirlene Adam (Strategic Director), Tonya Meers (Legal and
Democratic Services Manager), Dan Webb (Client and Performance
Lead), Natasha Williams (Corporate Support officer) David Woodbury
(Corporate Health and Safety Advisor) and Alistair Woodland (Audit
Manager).

Also Present: Stephen Malyn (District Auditor).

(The meeting commenced at 6.15 pm)

26. Apologies/Substitutions

Apologies: The Chairman (Councillor D Reed) and Councillors R Lees and Tooze.

Substitutions: Councillor Horsley for Councillor R Lees;
Councillor P Smith for Councillor Tooze;
Councillor Mrs Reed for Councillor D Reed.

27. Minutes

The minutes of the meeting held on 24 September 2012 were taken as read and were signed.

28. Update on the Health and Safety Strategy for 2012 – 13

The consolidation and compliance audit had, with the completion of the high level introductory audits, moved into a more detailed phase.

A number of draft action plans had been circulated and team meetings held following the first round of Audit interviews.

Confidence remained high that the objectives of the audit would be met and line managers and employees would have access to a sustainable monitoring process.

Health and Safety Key Performance Indicators

- Management competency and legal compliance.

There were varying levels of health and safety performance and legal compliance within Council functions. The consolidation and compliance audit was identifying the detail and local actions plans were driving the improvements.

- Health and Safety Management System and implementation

With the integration of the DLO Health & Safety policies into the Sharepoint site the coverage of our H&S policies was over 90% complete. The compliance audit had not as yet identified any major problems.

- Accident, incident data and lessons implemented

Every reported accident would be reviewed for the root cause and for any lessons learnt. It would be known when we have 'got it right' by an increased number of 'near-miss' incidents being reported.

Resolved to note:

- The progress on the delivery of the strategy; and
- That there were no new significant risks or incidents.

29. External Audit – Annual Audit Letter 2011/2012

Stephen MayIn (District Auditor) introduced Taunton Deane Borough Councils Annual Audit letter.

The letter outlined the following:

- A conclusion on the Statement of Accounts and annual governance statement; and
- A conclusion on Value for Money.

Members were advised that there was a two month delay due to one outstanding matter currently being reviewed following notification from a local authority elector. More information would be available by the next meeting due to be held in March 2013.

Resolved that the Annual Audit Letter 2011/2012 be noted.

30. External Audit – Fees 2012/2013

The external audit function for Taunton Deane had recently transferred from the Audit Commission to Grant Thornton. The change was part of a national programme of "outsourcing" the external audit work. This had resulted in significant savings for all local authorities.

Stephen MayIn (District Auditor) introduced the letter which detailed the fee position for external audit services for 2012/2013. The team that would be involved on Taunton Deane work and the timescales for reporting was also outlined.

The indicative audit fee showed a reduction of 40% and this had been reflected in the Councils draft budget position for 2013/2014. The fee would be based on the risk based approach to audit planning. It would cover:-

- Audit of financial statements;
- Work to reach a conclusion on the economy, efficiency and effectiveness in the use of resources; and
- Work on the whole of Government accounts return.

Resolved that the Grant Thornton Audit Fee Letter for 2012/2013 be noted.

31. Contract Standing Orders

Considered report previously circulated, which updated Members on recommended changes to the Contract Standing Orders. The Contract Standing Orders had not been updated since 2006 and therefore did not reflect the partnership with South West One.

Tonya Meers (Legal and Democratic Services Manager) advised Members of the amendments made to the Contract Standing Orders.

Resolved that the:-

- Contract Procedure Rules be approved; and
- Full Council be recommended to approve the revised Contract Procedure Rules.

32. Internal Audit Plan – Progress Report

Considered report previously circulated, which provided an update on the significant findings and recommendations since September 2012.

The report summarised details of any significant weaknesses identified during internal audit work alongside a schedule of audits completed during that period.

As reported at the last Committee, two additional reviews had been agreed with the Councils Section 151 Officer. The review on the Acolaid System would focus on risk exposure due to known access weaknesses. The second additional review would look at the Project Management Arrangements on the Crematorium Mercury Filtration Project.

A list of all audits planned for 2012-2013 and their status as at the 28 November were detailed in the report. There were a total of 35 reviews covering quarters one, two and three. 23 of these reviews were at a reporting status, 9 were in progress and 3 were yet to commence.

Members were advised that there was a delay in obtaining data from SAP for the Creditors Fraud Audit and in turn, this audit had been pushed back into quarter 2. This has had a knock-on effect on the Contract Fraud Audit and Procurement Rules Audit.

Resolved that the report be noted.

33. Corporate Governance Action Plan

Considered report previously circulated, which provided details of the progress made against the Corporate Governance Action Plan.

Each year, the Council received a number of reports and assessments which resulted in recommendations for improvement. These normally contained individual action plans which could prove challenging to manage and monitor. Therefore an aggregated plan provided the details of the scale of improvements required and progress against them in one place.

The Corporate Governance Action Plan listed 27 actions, which had emerged from the most recent external audit recommendations from the following sources:-

- Annual Governance Report 2010/11; and
- Annual Governance Report 2011/12.

Members were advised that 81% of actions were 'on target' which indicated an improved position compared to the previous report in June 2012, where 76% of actions were 'on target' or complete.

There were 5 actions that either had 'some concern' or were off target. Two of these were rated as 'High priority', and the other three actions rated with 'Medium priority'. These were:

- Update the IT Strategies and ensure there were clear links from these to financial planning (High priority);
- Determine spending priorities and reduce expenditure to ensure that future budgets were balanced by closing the gap between expenditure and projected income (High priority);
- Maintain a register of partnerships and prepare a protocol for establishing new partnerships (Medium priority);
- To fully review the Financial regulations (Medium priority); and
- Develop benchmarking to support decisions in allocating resources (Medium priority).

Members discussed delays in targets dates and requested that a column be introduced that would highlight the original target date as well as the expected target date.

Resolved that the report be noted.

34. Internal Audit – The Future

Shirlene Adam (Strategic Director) gave a verbal update to Members on the future governance of the South West Audit Partnership (SWAP).

The possible introduction of a Local Authority company was outlined which would replace the joint committee structure which was currently operating. Each Local Authority Council would be given the opportunity to join the company and would be given an equal vote.

Taunton Deane would need to decide if they would like to be part of the new company.

Resolved that the verbal report be noted.

35. Corporate Governance Forward Plan

Submitted for information the proposed Forward Plan of the Corporate Governance Committee.

Resolved that the Corporate Governance Committee Forward plan be noted.

(The meeting ended at 7.22pm).

Taunton Deane Borough Council

Corporate Governance Committee - 11 March 2013

Grant Claims Report 2011/2012

Report of the Strategic Director (Shirlene Adam)

(This matter is the responsibility of the Leader of the Council, Councillor John Williams)

Executive Summary

This report introduces the Certification of Claims and Returns report 2011/12 – prepared by our external auditors, (and set out in an Appendix to this report).

The report, which will be presented by our External Auditors, summarises their findings from their 2011/12 review work.

1. Background

- 1.1 The Audit Commission has finalised its review of the Councils arrangements to prepare grant claims.
- 1.2 Their full report, along with the detailed recommendations is set out in Appendix 1.

2. Financial Issues / Comments

- 2.1 The claims reviewed by the Audit Commission for 2011/12 related to expenditure totalling £82m. This is clearly a significant financial matter for the authority and we must make sure that proper arrangements are in place to meet the “conditions” of the grants.
- 2.2 The report highlights several areas where improvements can be made and the action plan reflects this. The action plan will be monitored to ensure the issues are progressed.

3. Legal Comments

- 3.1 There are no legal implications from this report.

4. Links to Corporate Aims

- 4.1 No direct implications.

5. Environmental and Community Safety Implications

- 5.1 No direct implications.

6. Equalities Impact

6.1 No implications.

7. Risk Management

7.1 Any risks identified will feed in to the corporate risk management process.

8. Partnership Implications

8.1 The Strategic Director and the Internal Audit Team (SWAP – South West Audit Partnership) will take the findings of this report into account when identifying the areas of risk to be audited next year.

9. Recommendation

9.1 Members are requested to note the Certification of Claims and Returns report from the Councils External Auditors.

Contact Officers:

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Taunton Deane Borough Council

Certification work report 2011/12

January 2013

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1 Executive Summary

Introduction

- 1.1 Grant Thornton, as the Council's auditors and acting as agents of the Audit Commission, is required to certify the claims submitted by the Council. This certification typically takes place some three to eight months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.
- 1.2 Grant Thornton and the Audit Commission have certified four claims and returns for the financial year 2011/12 relating to expenditure of £82 million.
- 1.3 This report summarises our overall assessment of the Council's management arrangements in respect of the certification process and draws attention to significant matters in relation to individual claims.

Approach and context to certification

- 1.4 We provide a certificate on the accuracy of grant claims and returns to various government departments and other agencies. Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.
- 1.5 Appendix A sets out an overview of the approach to certification work, the roles and responsibilities of the various parties involved and the scope of the work we perform.

Key messages

- 1.6 Three of the four claims reported in this certification report were completed by the Audit Commission prior to our appointment as the Council's auditors on 1 November. The findings set out in this report therefore represent the some of the results of your previous auditors' work.
- 1.7 A summary of all claims and returns subject to certification and details of our certification fee is provided at Appendix B. The key messages from our review are summarised in Exhibit One, and set out in detail in the next section of the report.

Arrangements for certification for claims and returns:

- below £125,000 - no certification
- above £125,000 and below £500,000 - agreement to underlying records
- over £500,000 - agreement to underlying records and assessment of control environment. Where full reliance cannot be placed, detailed testing.

Exhibit One: Summary of Council performance

Aspect of certification arrangements	Key Message
Submission and certification	All four claims were submitted on time to audit and all claims were certified within the required deadline.
Accuracy of claim forms submitted to the auditor Amendments and qualifications	Two of the four claims were amended and one of these was qualified as well. The auditor amended the pooling of housing capital receipts to increase the amount payable to the national pool because a capital allowance was not eligible. The housing benefit and council tax benefit claim was amended and a qualification letter was issued. This claim is complex and many local authorities have amendments and qualification letters issued.
Supporting working papers	Staff in the finance section, revenues and benefits have been very helpful during our certification work. There was additional time spent on the pooling of housing capital receipts because of a lack of evidence on file to support a capital allowance. If the Council wants to claim capital allowances in future it needs to ensure that it has evidence to support the eligibility.

The way forward

- 1.8 We have made a number of recommendations to address the key messages above and other findings arising from our certification work at Appendix C.
- 1.9 Implementation of the agreed recommendations will assist the council in compiling accurate and timely claims for certification. This will reduce the risk of penalties for late submission, potential repayment of grant and additional fees.

Acknowledgements

- 1.10 We would like to take this opportunity to thank Council officers for their assistance and co-operation during the course of the certification process.

Grant Thornton UK LLP

January 2013

2 Results of our certification work

Key messages

- 2.1 We and the Audit Commission have certified four claims and returns for the financial year 2011/12 relating to expenditure of £82 million.
- 2.2 The Council's performance in preparing claims and returns is summarised in Exhibit Two.

Exhibit Two: Performance against key certification targets

Performance measure	Target	Achievement in 2011-12		Achievement in 2010-11		Direction of travel
		No.	%	No.	%	
Total claims/returns		4		6		
Number of claims submitted on time	100%	4	100	6	100	→
Number of claims certified on time	100%	4	100	5	83	↑
Number of claims certified with amendment	0%	3	75	5	83	→ one claim each year not amended
Number of claims certified with qualification	0%	1	25	1	17	→

- 2.3 This analysis of performance shows that:

- the number of claims that required certification has reduced. HRA self-financing has meant that the base data return for housing stock is no longer required and the Department for Communities and Local Government (DCLG) no longer requires the audit certification of disabled facilities grants.
- the Council has had fewer claims amended in 2011/12 than in 2010/11.

- 2.4 Details on the certification of all claims and returns are included at Appendix B.

- 2.5 Where we have identified significant matters or opportunities for improvement in the compilation of claims and returns, these are summarised below and recommendations are included in the action plan at Appendix C.

- 2.6 We charged a total fee of £7,263 to complete the certification of the housing benefit and council tax benefit and to complete this report in 2011-12. In addition, your previous auditors the Audit Commission, charged a fee of £24,313 giving a combined total fee of £31,576 against an indicative budget of £33,000, as communicated in the fee letter of 8 April 2011. Details of fees charged for specific claims and returns are included at Appendix B.

Significant findings

- 2.7 The following significant findings were identified in relation to the management arrangements and certification of individual grant claims and returns:

Certification of Housing Benefit and Council Tax Benefit

- 2.8 The certification instruction is issued by the Audit Commission with the agreement of the relevant paying department (in this case the Department for Work and Pensions). It sets out the number of benefit cases that we are required to test in our initial sample. For Taunton Deane Borough Council the initial sample was 80 cases.
- 2.9 The certification instruction also prescribes additional testing when errors have been found in the initial sample. We found errors in these initial samples and additional cases were tested by the Council.
- 2.10 In response to our findings, the Council amended the claim and we issued a qualification letter to the grant paying department (DWP). A qualification letter has been issued for the past five years. To put this into context, this is a highly complex claim and many councils have their claims qualified.
- 2.11 The claim was amended by £2,531, reducing the amount the Council owes to the Department for Work and Pensions.
- 2.12 Where there has been 100% testing (i.e. all entries within the cell) or where the error is shown to be isolated there is no requirement to report the issue in the qualification letter. The following issues were identified from the audit but not reported in the qualification letter:
- Incorrect classification of one claim under Modified Scheme (war pensions) – the same case that was identified in the previous year. Every modified scheme was examined and no further errors were identified.
 - Rent rebate overpayment was incorrectly classified as current year when it should have been classified as prior year. The Council reviewed the overpayments in the final week of 2010/11. There were no further misclassifications and the claim was amended. This error was isolated and there was no need to report in the qualification letter.
 - There was a rent rebate overpayment that was incorrectly classified as prior year when it should have been classified as current year. All cases in this cell were reviewed and no further errors were identified. The claim was amended. This error was isolated and there was no need to report in the qualification letter.
- 2.13 The following issues were reported in the qualification letter:
- One case of council tax benefit overpayment was incorrectly classified as eligible error when it should have been local authority error. The Council reviewed a further 40 cases and we re-performed a sample and found no further errors.
 - The Council had not run a particular validation check report issued by the software supplier before preparing the return. The Council ran the report and identified a

potential error of £388, which was to the advantage of the Department. The Council was unable to prove to us that all such excess benefit was eligible so the claim was not amended.

National Non Domestic Rates Return NNDR3

- 2.14 The return was certified without amendment or qualification.

Certification of Housing Revenue Account Subsidy

- 2.15 The Council had used the housing stock figure from the Statement of Accounts of 6030. However, the rules for completing the form required the figure to agree to the closing figure from the previous year's return of 6015. The difference is attributed to demolitions, which were expected at the end of the previous year. The Council amended the return. There was no effect on the subsidy payable.

Certification of Pooling of Housing Capital Receipts Return

- 2.16 The Council claimed a capital allowance for one property sold at auction where it appears that the person who paid for it is still responsible for paying the council tax. The Council has not been able to provide any evidence that the purchaser did not intend to occupy it. Consequently, it was not eligible to be excluded from the pooling return. Following discussions with the Department for Communities and Local Government the Council amended the claim to include the capital receipt

A Approach and context to certification

Introduction

In addition to our responsibilities under the Code of Audit Practice, we also act as agents for the Audit Commission in reviewing and providing a certificate on the accuracy of grant claims and returns to various government departments and other agencies.

The Audit Commission agrees with the relevant grant paying body the work and level of testing which should be completed for each grant claim and return, and set this out in a grant Certification Instruction (CI). Each programme of work is split into two parts, firstly an assessment of the control environment relating to the claim or return and secondly, a series of detailed tests.

In summary the arrangements are:

- for amounts claimed below £125,000 - no certification required
- for amounts claimed above £125,000 but below £500,000 - work is limited to certifying that the claim agrees to underlying records of the Council
- for amounts claimed over £500,000 - an assessment of the control environment and certifying that the claim agrees to underlying records of the Council. Where reliance is not placed on the control environment, detailed testing is performed.

Our certificate

Following our work on each claim or return, we issue our certificate. The wording of this depends on the level of work performed as set out above, stating either the claim or return is in accordance with the underlying records, or the claim or return is fairly stated and in accordance with the relevant terms and conditions. Our certificate also states that the claim has been certified:

- without qualification;
- without qualification but with agreed amendments incorporated by the authority; or
- with a qualification letter (with or without agreed amendments incorporated by the authority).

Where a claim is qualified because the authority has not complied with the strict requirements set out in the certification instruction, there is a risk that grant-paying bodies will retain funding claimed by the authority or, claw back funding which has already been provided or has not been returned. In addition, where claims or returns require amendment or are qualified, this increases the time taken to undertake this work, which impacts on the certification fee.

Certification fees

Each year the Audit Commission sets a schedule of hourly rates for different levels of staff, for work relating to the certification of grant claims and returns. When billing the Council for this work, we are required to use these rates. They are shown in the table below.

Role	2011/12	2010/11
Engagement lead	£325	£325
Manager	£180	£180
Senior auditor	£115	£115
Other staff	£85	£85

B Details of claims and returns certified for 2011-12

Claim or return	Value (£)	Amended ?	Amendment Amount (£)	Qualified ?	Fee 2010/11 (£)	Fee 2011/12 (£)	Comments
Housing benefit and council tax benefit scheme	£37,454,401	Yes	increased by £2531 to £37,456,932	Yes	£18,818	£27,083	The fee varies from year to year depending on the complexity of the cases sampled. 2010/11 was a low fee: in 2009/10 the fee was £25,044. Additional time was spent on the qualification letter. The Council had not run a bug report before preparing the claim. The results had to be followed up. All entries in some cells were reviewed by the Council following errors in the initial audit sample.
National non-domestic rates return	£37,331,827	No	NIL	No	£1,506	£1,272	There were no issues to follow up from the previous year.
Housing finance base data return	Not applicable	N/A	N/A	Not applicable	£7,078	NIL	DCLG no longer requires this claim to be audited because of HRA self-financing from March 2012.

Claim or return	Value (£)	Amended ?	Amendment Amount (£)	Qualified ?	Fee 2010/11 (£)	Fee 2011/12 (£)	Comments
Housing Revenue Account subsidy claim	£6,888,863	Yes	NIL – no impact on subsidy	No	£1,152	£882	There was an amendment to the housing stock figure so that it agreed to the figure in a previously audited return.
Pooling of capital receipts return	£800,327	Yes	increased amount payable to Pool by £86,554 to £886,881	No	£1,425	£1,607	A qualification letter was drafted but was not issued. The Council amended its return following discussions with the DCLG about capital allowances.
Disabled facilities	Not applicable			Not applicable	£514	NIL	DCLG no longer requires this claim to be audited.
Reporting to those charged with Governance	Not applicable			Not applicable	£1,376	£732	There were fewer claims and returns on which we had to report.
Total	£82,475,418		£89,085 (gross)		£31,869	£31,576	The certification fee for 2011/12 was estimated at £33,000 in the fee letter dated 8 April 2011.

C Action plan

Claim or return	Recommendation	Priority (L/M/H)	Management response & implementation details
Housing benefit and council tax benefit	Ensure that all recommendation validation programme "bug" checks are run before preparing the claim	High	The Performance Manager will introduce a secondary check to ensure all 'bug' programs issued by Civica OPEN Revenues are run and there is evidence of this taking place on file.
Housing benefit and council tax benefit	Review council tax excess benefit and rent rebate overpayments that they are correctly classified and relate to the correct year in the subsidy claim	Medium	Quarterly checks of 'high risk' cells, such as cells relating to council tax benefit and rent rebate overpayments are already in place and form part of our key controls.
HRA subsidy	Ensure that the opening stock level is the same as the closing stock level in the form.	Medium	HRA subsidy ceased in 2011/12 – no further action required.
Pooling of housing capital receipts	Check that the housing sales for which the Council is claiming capital allowances meet the requirements of the regulations. The Council cannot exclude sales of land and buildings if the purchaser intends to occupy the property.	High	We are working with the services to ensure complete and accurate information and are looking at a process around determining classification. We will ensure appropriate documentation of evidence from legal and housing services is received and that any contentious issues are discussed with DCLG/Audit.

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Taunton Deane Borough Council

Corporate Governance Committee – 11 March 2013

Update on Health and Safety

Report of the Corporate Client Manager

(This matter is the responsibility of the Chief Executive and Leader of the Council.)

1. Executive Summary

This report provides an update on the progress of a range of Health and Safety matters across the organisation. These include:

- The situation with regard to the vacant Health and Safety Advisor position;
- The arrangements for the Health and Safety Committee;
- The progress being made on re-establishing Joint Health and Safety Inspections;
- Discussions with UNISON on the introduction of the 'Fair and Just Culture';
- The current position with regard to the consolidation and compliance audit;
- The SWAP Audit on Health and Safety.
- Accident and Incident Date for the period 1 April 2012 to 31 January 2013.
- General Health and Safety Issues

2. Health and Safety Advisor Position

The Health and Safety Advisor retired on 5 January 2013 and temporary cover arrangements have been put in place to ensure that SW1 covers these important services for the authority

SW1 advertised this position internally to all partners prior to Christmas and three candidates expressed an interest. Interviews took place for two shortlisted candidates in late January (rearranged due to the snow) but unfortunately neither of the candidates were fully suitable.

SW1 are currently reviewing the options for the position and have asked TDBC to reconsider whether the current arrangements can continue to provide the authority with the service and resilience it requires.

3. Health and Safety Committee

The Joint Management/Union Health and Safety Committee is now fully re-

established with regular quarterly meetings taking place. Previous actions from earlier committees have been reviewed by the Joint Secretaries and either closed down with the agreement of the Committee or are being actioned.

The last meeting took place on 29 January 2013 with the next meeting scheduled for 25 April 2013.

4. Joint Health and Safety Inspections

One of the outstanding actions from the Joint Health and Safety Committee has been to re-instate the re-invigorate the joint health and safety inspections of all workplaces.

The protocols for these have been in place for some time and both management the UNISON have worked to identify the appropriate managers/representatives to plan a programme for 2013.

These inspections have now commenced and the results from these will be collated and monitored by the Health and Safety Advisor to ensure that actions are implemented. Where necessary matters will be escalated to the Joint Health and Safety Committee.

5. Fair and Just Culture

The Committee will recall that the Health and Safety Advisor updated them on reasons for wanting a 'Fair and Just Culture' in Taunton Deane Borough Council and for reference the elements of a 'Fair and Just Culture' are set out below:

'Fair and Just' is the approach that can deliver the best operating culture, because 'Fair and Just Culture' recognises:-

- that competent people make mistakes;
- that competent people will develop unhealthy habits such as shortcuts and "routine rule violations";
- that competent people will learn from their mistakes and improve their performance.

This approach was presented to the Joint Health and Safety Committee in October 2012 and a number of concerns were raised by the UNISON Health and Safety Representatives. The UNISON Branch were then given a period of time to respond to the proposals and formally raised a number of objections on how the proposal would operate.

The matter has since been reconsidered by the Joint Health and Safety Committee following discussions between the Joint Secretaries and UNISON Regional Office. Further progress has since been made on resolving the matters raised by the union and a revised proposal with additional clarity on the role of the UNISON Health and Safety Representatives has now been agreed/.

The intention would be for this work to be moved forward when the permanent

Health and Safety Advisor is appointed.

6. Consolidation and Compliance Audit

As members will be aware from previous reports the audit process has provided additional motivation to address potential weaknesses within our management system and these have been identified in the TDBC H&S Priorities Plan.

The Health and Safety Advisor had, prior to his retirement, been working closely with Theme Managers to assist them in providing clarity on what was required for their Theme. Although this work will be impacted on through the loss of the Health and Safety Advisor it has been identified by CMT as a key element of the Quarterly Performance Reports that Theme Managers produce.

The audit process continues to be supported and monitored by the South West Audit Partnership (SWAP). Even at this early stage, the initial response indicates that the objectives of the audit will be met and line managers and employees will have access to a sustainable monitoring process.

7. SWAP Audit on Health and Safety

As mentioned in 6 above the SWAP have concluded an Audit on Health and Safety within the authority. The final report is attached as Appendix A for consideration and comment by the Committee.

8. Accident and Incident Data

Accident and incident data for the period 1 April 2012 through to 31 January 2013 are attached as Appendix B.

9. General Health and Safety Matters

Health and Safety refresher training for Leads/managers is scheduled for March and April 2013. We have, initially, organised four generic one day courses and this will be followed up with more in depth training for identified Leads/managers.

As part of the support provided to managers and staff a review of the effectiveness of the Health and Safety Sharepoint Site has been commenced. This includes addressing both the accuracy and accessibility of the information contained on the site.

10. Finance Comments

Any emerging issues or additional training will have to be funded from existing budgets. Line managers are expected to prioritise and refer any difficulties through their Theme Manager to CMT.

11. Legal Comments

Failure to meet or maintain minimum legal compliance will increase Corporate and individual risk, with the potential for criminal and civil actions

12. Links to Corporate Aims

Competent employees working safely in the delivery of the Council's services form an essential contribution to the Corporate Aims.

13. Environmental Implications

There are no environmental implications arising from this report.

14. Community Safety Implications

There are no community safety implications arising from this report.

15. Equalities Impact

There are no equalities impacts over and above those already required to be identified in the Theme delivery plans and existing arrangements. The Equalities Impact Assessments for H&S policies and procedures are available on the H&S sharepoint site.

16. Risk Management

Failure to meet minimum H&S statutory requirements has been identified in the Corporate Risk Register.

17. Partnership Implications

The Health and Safety Strategy sets out the majority of the work programme for delivery by SW One.

The audit strategy utilises and involves the expertise of SWAP, potentially reduces resource requirements and delivers an integrated approach.

18. Recommendations

The Committee are asked to note the progress being made on the delivery of the strategy and the initiatives to improve our operating culture. There are no significant risks or incidents to report.

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Final Report



Taunton Deane Borough Council

► Health & Safety

Issued to: Richard Sealey
*Corporate & Client Services
Manager*

Martin Griffin
Retained HR Manager

Draft to: Shirlene Adam
Section 151 Officer

Gerry Cox
Head of Audit Partnership

Working in partnership with



Date of Report: 26 February 2013

Issued by: Alastair Woodland
Audit Manager

Joanne McCormick & Dave
Hodgson
Lead Auditors

Management Summary

As part of the 2012-13 audit plan a review was carried out to assess the adequacy of controls and procedures in place for Health and Safety.

The Health and Safety at Work Act 1974 imposes a statutory duty on employers to provide whatever information, instruction, training and supervision as is necessary to ensure, so far as reasonably practical, the health and safety at work of employees.

This is further expanded by the Management of Health and Safety at Work Regulations 1999, which states: "Every employer shall ensure that his employees are provided with adequate health and safety training."

The Act also states employees have a duty to inform their manager (or an employee with the responsibility for health and safety) of any situation which poses a risk to health and safety.

At present there are no statutory requirements set by the Health and Safety Executive (HSE) to measure Health and Safety practice within local councils.

However, the HSE has published several papers including 'Successful health and Safety Management' which provide useful guidance on how Health and Safety should be managed and reported within a small to medium size organisation.

The overall message from the HSE in this paper;

'Organisations need to manage health and safety with the same degree of expertise and to the same standard as other core business activities, if they are effectively to control risks and prevent harm to people'.

The Local Authority currently employ the services of a full time Health and Safety (H&S) Advisor which is a seconded post through South West One (SW1). The H&S Advisor has taken a lead role in implementing the new Health Safety Strategy for 2012/13 for the Authority. Currently health and safety performance is reported through several means including;

- CMT (quarterly)
- Corporate Governance Committee (quarterly)
- Health and Safety Committee (quarterly)

The Council have an approved Health and Safety statement which sets out the Council's duty to comply with Health and Safety legislation. This document confirms that the; *'Prime responsibility for these duties rests with the Council members and the Chief Executive. Followed by the Corporate Management Team and all other managers who are responsible for matters within their control. However every employee has a part to play in putting Health and Safety first in the delivery of our services.'*

The Council has not previously adopted any form of 'compliance measures' to monitor 'actual' Health and Safety performance. However, the Council currently use a 'Local Responsibility form (LRF)' which has been put in place to provide 'self assessment' of Health and Performance across all retained services working within the Council. It is the responsibility of Directors and Theme Managers to

ensure that these LRF 's are completed and kept up to date.

Record of Health and Safety Accidents and Near misses

The Health and Safety report sent to the Corporate Governance Committee in June 2012 confirmed that there were 3 non reportable accidents reported from 31 March 2012 to 31 May 2012 (2012/13 financial year). All three recorded accidents were non reportable (not reported to the HSE) and related to the DLO.

Background – TDBC Health and Safety Plan 2012/13

The Local Authority has recently introduced a new Health and Safety strategy which was agreed by CMT and endorsed by the Corporate Governance Committee in June 2012. This strategy includes the introduction of 'compliance monitoring', through the introduction of Health and Safety KPI's. As part of this process the H&S Advisor has introduced a planned 'Consolidation and Compliance audit' review. This compliance audit review is planned to be covered across all of the Council's Themed Areas and the current plan is that this will be carried out internally by the H&S Advisor. This is a new approach, therefore requires embedding within the culture of the Local Authority.

The Local Authority's decision to input further resources into monitoring and managing health and safety of retained staff is in contrast to Central Government plans to simplify Health and Safety regulation and reduce the level of inspection required for businesses. This response from Central Government was influenced by an independent review of health and Safety legislation published by Lofstedt in November 2011.

This audit review is based upon key health and safety performance measures which were identified by the H&S Advisor.

The Key Performance measures are based on 3 key areas – Management Competence, H&S management system and Implementation and Accident, incident data. All 3 KPI's are designed to be 'positive' measurements focusing upon preventative control measures as opposed to measuring Health and Safety through 'reactive' processes.

Background - Internal Audit review 2012/13

A Follow Up review was undertaken to assess the agreed actions from the previous Health and Safety audit 'Health and Safety Awareness and Training 2010-11'. This report has been attached as Appendix A, and demonstrates the developments since the previous audit and also highlights areas where health and safety weaknesses still occur.

As part of this audit, a number of staff working within the Council were interviewed. This included the H&S Advisor working on behalf of the Council, and also a sample of Directors and Theme Managers. In addition, two H&S representatives that currently work at other Local Authorities (also audited by SWAP) were interviewed.

Summary of Significant Corporate Risks

The following table records the inherent risk (the risk of exposure with no controls in place) and the manager's initial assessment of the risk (the risk exposure on the assumption that the current controls are operating effectively) captured at the outset of the audit. The final column of the table is the Auditors summary assessment of the risk exposure at Corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Areas identified as significant corporate risks, i.e. those being assessed as 'high' or 'very high' risk areas in line with the definitions attached should be addressed as a matter of urgency.

Risks	Inherent Risk Assessment	Managers Initial Assessment	Auditors Assessment
1. The Council's Health and Safety Strategy and Action Plan is not effective in reducing the Councils exposure to health and safety risk.	High	Medium	Medium

Summary of Significant Findings

The following were identified as key findings for the service and therefore categorised, in accordance with the definitions attached, as a level '4' or '5' in the action plan:

- Audit findings from the previous Health & Safety Audit Report have not been implemented (see action plan and follow-up report at [Appendix A](#)).

Further details of audits findings can be viewed in the full audit report, which follows this Management Summary.

Conclusion and Audit Opinion



I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

Although there is no statutory requirement in how the Council monitors it's health and safety performance, the guidance papers published by HSE suggests the importance of '*visible and active leadership of senior managers*' in order to foster a '*positive health and safety culture*'.

The new Health and Safety plan is designed to monitor management competence as part of the '*compliance audit review*.' This should help to ensure that Senior Management are able to demonstrate that key health and safety risks facing staff are being clearly identified and managed accordingly.

What were the opinions of officers at TDBC re the new strategy?

As part of this audit a small number of officers were interviewed which included Theme Managers. Two Themed managers responded to the Health and Safety Questionnaire and they both felt that the new Health and Safety Strategy would be a useful in playing an active role in identifying key health and safety risks across the Authority.

Both Themed Managers acknowledged that it was too early to review the effectiveness of the strategy until compliance audit reviews have been completed.

What is the opinion of other H&S safety advisors?

From our interviews with two H&S advisors at other SWAP audited local authorities it was clear that they had not adopted the use of key performance indicators or used a 'compliance' based approach to monitor actual Health and Safety performance.

Both officers considered the agreed Health and Safety plan recently adopted by TDBC as a reasonable approach in ensuring compliance with health and safety legislation. One of the Health and Safety Officers stressed at interview the importance of completion and adequacy of risk assessments and Health and Safety training. Both of these areas were identified as control weaknesses in the previous audit completed in 2010/11 and still remain outstanding.

Audit opinion

The H&S Advisor has made good progress in the implementation of the recently agreed Health and Safety strategy 2012/13. The new Health & Safety Strategy provides good foundations to create a sound health and safety culture within the Authority. Currently this is still in its initial stages. Although a strategy has been developed this has not been implemented in any detail hence partial assurance provided. It is recommended that future audit work is carried out to monitor how the strategy works over time.

A number of recommendations in this report have been raised in order to improve the existing controls already in place and to maximise the effectiveness of the new Health and Safety plan.

During the review the Health and Safety Advisor identified a number of outstanding actions from the previous audit which remain outstanding. Two recommendations in relation to these actions are included within this report.

An embedded health and safety culture within any business takes time to implement and cement. It is recommended that buy in and direction by Senior Management is required to ensure this happens. It is highly recommended that health and safety is further reviewed by SWAP in 12 months time to provide assurance that the agreed Strategy is effective, monitored and embedded throughout the Authority and to ensure that high priority recommendations from the previous audit are completed.

Detailed Audit Report

Objectives & Risks

The key objective of the service and risks that could impact on the achievement of this objective were discussed and are identified below.

Objective: The Council's Health and Safety Strategy and Action Plan reduces their exposure to health and safety risk.

Risk:

- The Council's Health and Safety Strategy and Action Plan is not effective in reducing the Councils exposure to health and safety risk.

Method & Scope

This audit has been undertaken using an agreed risk based audit. This means that:

- the objectives and risks are discussed and agreed with management at the outset of the audit;
- the controls established to manage risks are discussed with key staff and relevant documentation reviewed;
- these controls are evaluated to assess whether they are proportionate to the risks and evidence sought to confirm controls are operating effectively;
- at the end of the audit, findings are discussed at a close-out meeting with the main contact and suggestions for improvement are agreed.

Findings

The following paragraphs detail all findings that warrant the attention of management.

The findings are all grouped under the objective and risk that they relate.

1. Risk: 1. The Council's Health and Safety Strategy and Action Plan is not effective in reducing the Councils exposure to health and safety risk.

1.1 Monitoring the completion of the H&S action plan.

During the course of the audit, it was not clear whether the Local Authority had a timetable in place to monitor the implementation and completion for the new H&S action plan.

The Successful Health and Safety Management report from HSE reported that implementation of an effective health and safety management systems takes time; 'Two to five years is typical'.

The Health and Safety Advisor confirmed during interview that he anticipates that the plan could be subject to changes in the future on a) the KPI's used to measure H&S performance and b) responsibility for delivery of the compliance audit.

There is a risk that without a timetable in place there could be significant delays in implementing the new H&S action plan. This in turn could result in the plan becoming ineffective if actions are not recorded and responsibilities are not clearly identified with target dates for completion/review.

1.1 a The SW1 Health and Safety Advisor has agreed to implement a Health and Safety Action plan time table to ensure the following;

- **the recording and monitoring of actions needed to implement the new Health and Safety**

action plan/strategy.

- the recording and monitoring of any future actions that would be needed to support the Health and Safety action plan/strategy.
- all actions should provide clear ownership in the plan with targets dates set for each identified action.

1.2 Benchmarking - Internal

The approved Health and Safety plan does not mention the use of internal benchmarking. This could be a useful tool in measuring different services across the Authority.

Currently the Local Authority has adopted a 'responsibility form' and more recently the use of a competency check sheet. These documents may provide the Council with sufficient detail in order to do a meaningful internal benchmarking exercise.

There is a risk that best practice is not being shared across the Authority if there is no process in place to compare and review health and safety practice.

Benchmarking - External

The H&S Officer did previously belong to a 'benchmarking club' which covered a number of local authorities across Dorset and Somerset. The H&S Officer confirmed that this group has now ceased due to key officers leaving the group.

The H&S Officer confirmed that 'benchmarking' accident data may not be useful to the Council as there are significant differences in how local district authorities are set up notably, the size, and the different type of services provided. However, the former group was also set up to promote best health and safety practice.

During the interview with a Health and Safety Officer from one of SWAP's partners, they commented that they found their local benchmarking club a very useful tool and has been able to adopt new Health and Safety processes as a result of sharing best practice. There is a risk that the Authority are not able to gain best practice from other local authorities as currently there is no sharing of best practice with other local authorities/bodies.

1.2a The Retained Health and Safety Officer has agreed to consider the use of Internal Benchmarking. This could be useful tool in sharing best practice across the Authority on completion of the initial audit assessments.

1.2b The Retained Health and Safety Officer has agreed to consider the use of External benchmarking, in particular the sharing of best Health and Safety practice with other local authorities.

1.3 Review of action plan and Health and Safety performance.

In HSE's document; successful health and safety management, it highlights the usage of a 'Steering Committee' which includes other senior line managers to organise the process for drawing up the implementation plan, allocate responsibilities and to monitor progress.

Currently, health and safety performance is reviewed by a number of people including both members and officers working within the Council. The review of the health and safety plan

has not yet been assigned to a particular group or committee for review.

There is a risk that the agreed health and safety plan will no longer be a useful tool in measuring health and safety performance in the future unless this is subject to further review.

Measuring H&S performance

The Health and Safety Officer has recently implemented 3 key performance indicators to measure H&S performance. However, during the audit it was not clear how each of the PI's were going to be scored, measured and reported.

In order to make the KPI's an effective and fair tool to monitor health and safety performance, there needs to be consideration for the following areas;

- Scoring method (this would be helpful in ensuring that reviews are fair and objective);
- Weighting of each control identified within each of the KPI's (each of the KPI's require testing of more than one area, there should be consideration on how each of the areas should be weighted);
- Weighting of each KPI (currently it is not clear if these KPI's are equal or whether these could be weighted similar to controls);
- The performance target for each KPI (not clear what the performance target is);
- Responsibility and clear ownership of each KPI (the strategy does not clearly document responsibility for and ownership of each of the KPI's).

There is a risk that the Authority are unable to measure the actual H&S performance fairly and accurately across each of the Themes unless there is a clear methodology for scoring each of the proposed KPI's.

The Local Authority should consider the adequacy and relevance of each key performance measure as part of this review to ensure that the KPI's in place are effective and also whether there are other areas of Health and Safety that should be measured through KPI. For instance Health and Safety training and Risk Assessments may require their own KPI if these are found to be relevant areas.

As a benchmark with other Local Authorities within the South West (also audited by SWAP), KPI's are not used to measure Health and Safety Performance.

1.3a The Corporate and Client Services Manager has agreed to ensure that the Health and Safety performance indicators have an agreed scoring methodology which will ensure a fair and accurate measure of Health and Safety performance.

1.3b The Retained Health and Safety Officer has agreed to ensure that the Health and Safety action plan/strategy is subject to a periodic review to ensure that the action plan and KPI's are still adequate and relevant.

1.4 Reconciliation of completed Health and Safety responsibility forms and Compliance audit reviews.

It was evident in our meetings with Theme Managers and Corporate Directors that the adopted 'responsibility form' that forms part of the previous and current Health and Safety strategy has not been fully embedded throughout the Authority. In some cases the

responsibility forms were not being used at all.

The H&S Advisor has began the process of holding meetings with the Theme Managers and Corporate Directors to determine the correct contacts for each of the themes and determine who will be allocated the role of completion of compliance audit reviews.

There is currently a risk to the Council that the adopted 'responsibility form' and the anticipated quarterly compliance reviews will not be completed unless there is a clear record to show responsible officers across each theme.

It may help to embed the new Health and Safety strategy if the H&S Advisor was to record each responsible officer who has been assigned the role of completion of responsibility form and each compliance review. This could be completed by creating a clear Health and Safety structure chart for each theme by ensuring that there is a reconciliation process to reconcile all of the expected responsibility forms and audit compliance reviews that require completion.

1.4a The SW1 Health and Safety Advisor has agreed to include the use of a structure chart to document each officer responsible for the completion of each responsibility form and audit review.

1.4b The SW1 Health and Safety Advisor has agreed to ensure that there is a reconciliation process to reconcile the total number of responsibility forms and compliance reviews expected.

1.5 Review of previous audit recommendations

There are a number of recommendations in the last audit report relating to Health and Safety policy, training and guidance which are currently still outstanding.

There is a risk that significant audit findings still have not been addressed and therefore the Authority are still not following best Health and Safety practice.

The H&S Officer has acknowledged to SWAP that there are a number of significant control weaknesses that still need to be addressed. This currently includes control weaknesses in the following areas of Health and Safety;

- Completion of risk assessments;
- Completion of Health and Safety training.

Appendix A provides a complete summary of the follow-up findings.

1.5a The SW1 Health and Safety Advisor has agreed to ensure that revised key dates are agreed on implementing;

- **1.1a Completeness of Health and Safety information published on Sharepoint;**
- **1.2a Completeness of Corporate programme for risk assessments.**

1.5b The Health and Safety Advisor has agreed to ensure that the following areas are included in the 'Compliance audit' documented in the Health and Safety strategy/plan;

- **Completion of risk assessments;**
- **Completion and adequacy of Health and Safety policy;**
- **Completion and adequacy of Health and Safety training.**

The Agreed Action Plan provides a formal record of points arising from this audit and, where appropriate, the action management has agreed to take and the timescale in which the action will be completed. All findings have been given a priority rating between 1 and 5, where 1 is low and 5 is high.

It is these findings that have formed the opinion of the service's control environment that has been reported in the Management Summary.

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date
<p>Objective: The Council's Health and Safety Strategy and Action Plan reduces their exposure to health and safety risk.</p>					
<p>1. 1. The Council's Health and Safety Strategy and Action Plan is not effective in reducing the Councils exposure to health and safety risk.</p>					
<p>1.1a There is no tool to capture and monitor all identified actions needed (including future actions) and also to review the progress and completion of each identified action.</p>	<p>I recommend the SW1 Health and Safety Advisor implements a Health and Safety Action plan time table to ensure the following;</p> <ul style="list-style-type: none"> • the recording and monitoring of actions needed to implement the new Health and Safety action plan/strategy; • the recording and monitoring of any future actions that would be needed to support the Health and Safety action plan/strategy; • all actions should have clear ownership recorded and targets dates set for each identified action. <p style="text-align: right;"><small>SWAP Ref: 19003</small></p>	<p>3</p>	<p>Agreed</p>	<p>SW1 Health and Safety Advisor</p>	<p>30/06/2013</p>

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date
1.2a The Council may want to adopt a system which assists managers and staff in accessing best practice and expertise across the organisation.	<p>I recommend the Retained H&S Officer considers the use of Internal Benchmarking. This could be useful tool in sharing best practice across the Council on completion of the initial audit assessments.</p> <p style="text-align: right;"><i>SWAP Ref: 19199</i></p>	2	The Council will review current arrangements for publicising H and S information and best practice across the authority.	Retained Health and Safety Officer	30/09/2013





Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date
<p>1.2b The Council do not currently adopt the use of 'External' benchmarking resulting in a lack of good H&S practice.</p>	<p>I recommend the Retained H&S Officer considers the use of External benchmarking, in particular the sharing of best Health and Safety practice with other local authorities.</p> <p style="text-align: right;"><i>SWAP Ref: 19200</i></p>	<p>3</p>	<p>This is not strictly correct – although the Council does not take part in a formal benchmarking club the H and S Advisor has regular contact with a range of other H and S professional to enable networking and development of best practice.</p> <p>The Council will review whether any more formal arrangements are required.</p>	<p>Retained Health and Safety Officer</p>	<p>30/06/2013</p>
<p>1.3a It is not clear how Health and Safety KPI's are scored and measured.</p>	<p>I recommend the Corporate and Client Services Manager ensures that the Health and Safety performance indicators have an agreed scoring methodology which will ensure a fair and accurate measure of Health and Safety performance.</p> <p style="text-align: right;"><i>SWAP Ref: 19004</i></p>	<p>3</p>	<p>Agreed</p>	<p>Corporate and Client Services Manager</p>	<p>30/09/2013</p>
<p>1.3b There is no time scheduled for independent review of the action plan.</p>	<p>I recommend the Retained H&S Officer ensures that the Health and Safety action plan/strategy is subject to a periodic review to ensure that the action plan and</p>	<p>3</p>	<p>Agreed</p>	<p>Retained Health and Safety Officer and CMT</p>	<p>Ongoing and 30/06/2013 for review against Lofstedt.</p>

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date
	<p>KPI's are still adequate and relevant. CMT may need to consider future changes in Health and Safety legislation as a result from the Lofstedt review.</p> <p style="text-align: right;"><i>SWAP Ref: 19005</i></p>				
<p>1.4a No record of officers responsible for completion of the responsibility form and compliance audit review.</p>	<p>I recommend the SWO H&S Advisor includes the use of a structure chart to document each officer responsible for the completion of each responsibility form and audit review.</p> <p style="text-align: right;"><i>SWAP Ref: 19320</i></p>	<p>3</p>	<p>Agreed</p>	<p>SW1 Health and Safety Advisor</p>	<p>30/06/2013</p>
<p>1.4b There is no process for reconciling all responsible forms and compliance audit reviews to ensure completion.</p>	<p>I recommend the SWO H&S Advisor ensures that there is a reconciliation process to reconcile the total no of responsibility forms and compliance reviews</p> <p style="text-align: right;"><i>SWAP Ref: 19321</i></p>	<p>3</p>	<p>Agreed</p>	<p>SW1 Health and Safety Advisor</p>	<p>30/06/2013</p>
<p>1.5a A number of previous audit recommendations are either not completed or remain outstanding.</p>	<p>a) I recommend the SWO H&S Advisor ensures that revised key dates are agreed on implementing;</p>	<p>4</p>	<p>Agreed</p>	<p>SW1 Health and Safety Advisor</p>	<p>30/06/2013</p>

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date
	<ul style="list-style-type: none"> •1.1a Completeness of Health and Safety information published on Sharepoint. •1.2a Completeness of Corporate programme for risk assessments. <p style="text-align: right; font-size: small;"><i>SWAP Ref: 19006</i></p>				
	<p>b) I recommend the Health and Safety Advisor ensures that the following areas are included in the 'Compliance audit' documented in the Health and Safety strategy/plan;</p> <ul style="list-style-type: none"> •Completion of risk assessments. •Completion and adequacy of Health and Safety policy. •Completion and adequacy of Health and Safety training. <p style="text-align: right; font-size: small;"><i>SWAP Ref: 19124</i></p>	4	Agreed	SW1 Health and Safety Advisor	30/06/2013

Audit Framework Definitions

Control Assurance Definitions

Substantial		I am able to offer substantial assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
Reasonable		I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial		I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
None		I am not able to offer any assurance. 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.

Categorisation Of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

Priority 5: Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.

Priority 4: Important findings that need to be resolved by management.

Priority 3: The accuracy of records is at risk and requires attention.

Priority 2: Minor control issues have been identified which nevertheless need to be addressed.

Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

Definitions of Corporate Risk

Risk	Reporting Implications
Low	Issues of a minor nature or best practice where some improvement can be made.
Medium	Issues which should be addressed by management in their areas of responsibility.
High	Issues that we consider need to be brought to the attention of senior management.
Very High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Appendix A

Health & Safety Follow Up Audit Findings

Management Summary

As part of the 2012/13 Health & Safety audit a review was carried to assess progress made on the previous Health and Safety audit recommendations made in the 2010/11 'Health and Safety – Awareness and Training review.'

Outline of the scope and significant findings of previous audit completed 2010/11.

This audit had the following objective; The Authority has an active Health and Safety training programme which encourages employees to play an active part to assist in lowering accident rates and work related ill health.

This audit looked specifically at two key Health and Safety areas; health and safety training and awareness of employers/employee of their responsibilities for health and safety.

The audit was given a partial assurance rating as there were a number of key controls which were not in place.

A total of 7 recommendations were reported and agreed within the final audit report.

Summary of progress made on the previously agreed audit recommendations

The following table identifies a summary of the progress made in regards to the agreed actions from the previous audit report. Please note: The progress of each action has been done through client self assessment and not determined through further audit testing.

Original Priority Score	Complete	In progress	Incomplete
Priority 4			
Priority 3	4	1	2
Priority 2			

Conclusion & Audit Opinion

The Council have undergone a significant change in it's Health and safety strategy. Following the work conducted by the Health and Safety advisor, the Council has now agreed to adopt a new 'competency' based Health and Safety framework. This includes the use of Key performance indicators which will be reported on the Council's Corporate Score Card.

The new Health and Safety action plan is based upon 3 performance indicators which measure the following;

- Management competency and legal compliance
- HS Management System and implementation
- Accident, incident data and lessons implemented

All of the recommendations made in the previous audit plan refer to control weaknesses relating to policy, training and general health and Safety and procedures. These weaknesses should be identified, reported on and rectified once the above performance indicators are fully operational.

The new Health and Safety plan is still in it's early stages and the Health and Safety Advisor has booked meetings with all relevant senior members of staff to go through the new changes and ensure that senior management understand their roles and responsibilities within the new H&S action plan.

SWAP have agreed to review the new Health and Safety action plan as part of the scheduled audit for 2012/13 to provide reassurance to the client that the action plan is relevant and provides good health and safety practice.

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date	Follow up – 13 June 2012
<p>Objective: The authority has an active Health & Safety training programme which encourages employees to play an active part in health and safety which assists in lowering accident rates.</p>						
<p>1.1a Not all Health and Safety information is available on SharePoint.</p>	<p>I recommend that the Strategic Director ensures that all corporate health and safety information is made available on SharePoint and a target date for implementation is set.</p>	<p>3 - Medium</p>	<p>Agreed</p>	<p>Strategic Director</p>	<p>31st August 2010</p>	<p>Not completed – This is currently an ongoing exercise. The previous audit suggested that only 20% had been put on Share Point. Approximately 80% of Health and Safety information is stored on there. The manual is checked and reconciled against HSE essentials manual <u>Document control</u> Standard template is now going to be used for all policies and guidance. This has been in force since June 2012.</p>
<p>1.2a There is no corporate programme for completion of risk assessments.</p>	<p>I recommend that the Strategic Director ensures that a programme for the completion of risk assessments is implemented and this is audited for completeness.</p>	<p>3 - Medium</p>	<p>Agreed</p>	<p>Strategic Director</p>	<p>30th June 2011</p>	<p>In Progress - There is a new requirement for the completion of risk assessments through the new H&S strategy and action plan. There is a facility on Share Point to store risk assessments which is available for themed managers.</p>

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date	Follow up – 13 June 2012
2.1a There is no comprehensive Health and Safety training database.	I recommend that the Strategic Director ensures that a central training records database is developed in line with the new competency framework and this includes DLO staff.	3 - Medium	Agreed	Strategic Director	31 st August 2011	Not completed - A matrix has been developed to be used and extended by each of the themed managers. However. This is recorded as a priority on the agreed Health and Safety priorities 2012/13.
3.1a Staff will require guidance on completion of responsibility forms.	I recommend that the Strategic Director ensures that appropriate guidance is delivered to staff to assist them in completion of their 'responsibility forms'.	3 - Medium	Agreed	Strategic Director	31 st March 2011	Completed – mandatory training and mini workshops for CMT leads and Managers (offered to all levels).
3.1b Responsibility forms will need to be reviewed and monitored.	I recommend that the Strategic Director ensures that responsibility forms are reviewed and monitored with the PRED process.	3 - Medium	Will be done in line with the PRED process, therefore will be ongoing	Strategic Director	N/A	Completed – this is now part of the PRED process which belongs to line managers. However, one Director did state that he had not seen this form before, where it has been in place for over a year.
4.1a There are no performance measurements for the effectiveness of Health and Safety.	I recommend that the Strategic Director determines how the effectiveness of health and safety will be measured and this includes the DLO.	3 - Medium	Already actioned, performance measures already agreed with Dan Webb of the Client Team	Strategic Director	N/A	Completed - 3 new KPI's have been agreed by Senior Management which feed into the corporate score card. These have yet to be measured. Develop

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date	Follow up – 13 June 2012
4.2a There is no structured programme of delivery for tool box talks.	I recommend that the Strategic Director ensures that tool box talks are structured in delivery to DLO staff.	3 - Medium	Agreed	Strategic Director	31 st January 2011	Completed – there is now a programme in place. Owned by the DLO staff. This was discussed at the last committee meeting.

Appendix B

Accident, incident data and lessons implemented

TDBC accident stats 1 April 2009 – 31 December 2012 (subject to final adjustment)

TDBC Totals– 1 April 2009 – 31 March 2010				
Classification	Core Council	DLO	public	Contractors
Reportable	0	7	0	0
Non-reportable	14	45	0*	–
Period total	14	62	0	0

*potential uncertainty in numbers reported by public. (Playgrounds)

TDBC Totals– 1 April 2010 – 31 March 2011 (final adjustment required)				
Classification	Core Council	DLO	public	Contractors
Reportable	2	6	2	0
Non-reportable	8	42	2	1
Period total	10	48	4*	1

*potential uncertainty in numbers reported by public. (Playgrounds)

TDBC Totals– 1 April 2011 – 31 March 2012				
Classification	Core Council	DLO	public	Contractors
Reportable	1	3	3	0
Non-reportable	6	32	4	–
Period total	7	35	7*	0

*potential uncertainty in numbers reported by public. (Playgrounds)

Accident, incident data and lessons implemented

TDBC Totals– 31 March 2012 - 31 January 2013				
Classification	Core Council	DLO	public	Contractors
Reportable	0	0	0	No data
Non-reportable	3	27	0	–
Near Miss	-	0	-	-
Period total	3	27	4*	1

*potential uncertainty in numbers reported by public.

All minor accidents will continue to be reviewed on a regular basis by the H&S Advisor and a nominated Rep (Rick Symons for DLO) and allocated to the relevant Rep if further investigation is required. Lessons learnt will be reported back to the H&S committee.

Taunton Deane Borough Council

Corporate Governance Committee – 11 March 2013

TDBC Response to the Equality Act : Current Performance, SWAP Audit and Proposed Action Plan

Report of the Strategy and Performance Lead Officer

(This matter is the responsibility of Executive Councillor Jane Warmington)

1. Executive Summary

We have recently undertaken a review of our performance in delivering both statutory and locally defined responsibilities relating to equality and diversity. This report considers progress against:

- Equality Act – General Duty & Specific Duty
- Corporate Equalities Objectives
- Equality Action Plans (EAP) for each Theme.

Included are the findings of the recent audit by SWAP (South West Audit Partnership) into the adequacy of the procedures and controls to support equality and diversity.

Whilst we are on track and making good progress against our three Corporate Equality Objectives, significant inconsistencies and risks have been identified by the SWAP audit. Our performance is rated as poor with high inherent risks against each of four key issues identified by SWAP. Subsequent performance monitoring has confirmed these conclusions.

In response we have prepared a Corporate Equality Action Plan (CEAP). Compliance with the CEAP should address this situation. Senior managers will need to ensure that responsibility and action is taken across the authority.

2. Background

The Equality Act 2010 introduced a new Public Sector Equality Duty and seeks to ensure that people are not discriminated against because of certain characteristics. These are known as 'protected characteristics' and there are nine of them:

- Age	- Pregnancy and maternity
- Disability	- Race
- Sex	- Religion or Belief
- Gender reassignment	- Sexual Orientation
- Marriage and civil partnership	

The Equality Act imposes both a General Duty and two Specific Duties on each local authority.

A pictorial summary of the requirements of the Equalities Act and how Taunton Deane Borough Council is responding is shown at Appendix 1.

The General Duty

The General Duty has three strands which are to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
2. Advance equality of opportunity between people who share a protected characteristic and those who do not
3. Foster good relations between people who share a protected characteristic and those who do not

The Specific Duties

There are two requirements under the Specific Duties:

1. Publish Equality Information - Annually

Sufficient information to demonstrate compliance with the Equality Duty across its functions, specifically information about

- Council employees
- The wider community i.e. people affected by our policies and practices

To fulfil this Duty we should have:

- Evidence of equality analysis (we are using Equality Impact Analysis – EIA) to do this)
- Details of data and evidence used when considering equality issues
- Details of engagement undertaken while considering equality issues

2. Prepare and Publish Equality Objectives

Develop objectives at least every 4 years that will help the authority to meet one or more aims of the Equality Duty.

These were prepared in 2012 and are:

- 1: Councillors will fully consider the equality implications of all decisions that they make.
- 2: Information about the protected characteristics of our service users should be used in the planning and delivery of services.
- 3: Actions are taken to identify and to reduce or remove any inequalities faced by employees.

The measures used to assess compliance and performance against them are shown at Appendix 2

The actions required to meet both the General and Specific duties should be set out within individual Theme-specific Equality Action Plans, (EAP) and in the Corporate Equality Action Plan (see Appendix 3).

In addition to the above, each Theme's EAP should show any actions that need to be taken as a result of having carried out any Equality Impact Analysis (EIA) on the Themes' services or new policies.

The Equality Act still requires that EIA are carried out however it no longer uses this term. The Act intentionally is moving the emphasis from the process of preparing an EIA to the analysis of the findings and their use in decision making.

3. Performance Monitoring and Results

Corporate Equality Objectives

The three **corporate equality objectives** were developed and agreed in 2011. Progress against these is on track and a summary is given at Appendix 2.

Performance by Theme

As this is the first **review since the new requirements** came into place we have asked each theme manager five questions:

1. Have you prepared an Equalities Action Plan (EAP) as part of the service planning process?
2. Within the EAP is progress against the identified actions on track? (using RAG Status)
3. Do all reports going to the Executive have Equality Impact Analysis?
4. Do you have a profile of your Service Users, with particular reference to the protected characteristics? - There is a requirement to prepare one and review it every two years. The target is March 2014.
5. Are the profiles used to inform service delivery plans?

The responses from theme managers are shown at Appendix 4

The findings clearly show that whilst there is awareness of the need to consider equalities, and all services do, we do not yet comply consistently across the authority. There appears to be mixed levels of understanding about what is required and how to achieve it. Also we have not previously been monitoring the quality of EIA and from spot checks we see further training is required.

Specific Duty

- Publication of information relating to employees

Human Resources (SouthWest One) publish reports using equalities data that is held on the SAP system.

The equality data collection is included within the HR Workforce Plan as an annual event happening each autumn.

- Publication of information on the wider community

We have prepared a profile of Taunton Deane, which is available on the Council's website. This must be refreshed annually and in 2013 has been enhanced by the availability of information from the 2011 Census.

General Duty

Compliance with the General Duty is harder to evidence. However, these requirements must be given consideration. This should occur when EIA and Service Plans are being prepared. It is suggested that any actions required to ensure compliance should be included within each Theme's EAP.

SWAP Report

The **SWAP report** is available at Appendix 5 with a summary of significant findings given below.

- . Wide spectrum in Officers understanding of equality requirements. No refresher training is currently planned.

- . There was a lack of evidence to back up equality considerations undertaken during the decision/policy making process.
Lack of evidence that equality analysis is used to help inform officer recommendations, but appears equalities is an afterthought in the decision making process.

- . Equality analysis not included on all reports, and an effective quality monitoring framework is not in place.

- Monitoring of Equality Impacts and mitigations is not fully embedded.

Each of these findings is given a Priority Rating of 4 i.e. they are important findings that need to be resolved by management.

The audit concludes that whilst systems are in place, the key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

4. Response

The above findings have been considered and have helped shape the Corporate Equalities Action Plan (CEAP) that is proposed for implementation during 2013/2014. An initial draft has already been considered by CMT and further consideration will be given by CMT on 4th March 2013. The CEAP is included at Appendix 3.

Progress against the CEAP will be monitored and reported on twice a year, normally in June and December. The findings will be circulated to all members as an Information Report.

Progress against the Theme specific EAPs will be considered quarterly by CMT at their performance monitoring meetings. The template for this monitoring is shown at Appendix 6

5. Finance Comments

There are no significant financial implications.

The costs of compliance will for example come from the need to obtain information and engage with service users. This should however lead to delivery of services better matched to customer needs. Failure to comply could lead to costly legal challenges.

6. Legal Comments

If we fail to comply with the requirements of the Equalities Act there is potential for legal challenges.

7. Links to Corporate Aims

In the 2010-2013 Corporate Strategy the vision and aims were set out along side the Corporate Equalities Scheme. The Corporate Equalities Scheme will no longer be viewed as a separate document; instead the action plans will be the responsibility of each Theme.

The Equalities Duties will have implications for all aspects of the council's work and all sections of the Corporate Business Plan.

8. Environmental Implications

There are no environmental implications

9. Community Safety Implications

Given the aims of the Equalities Act, in particular the general duties placed upon the council, it would be anticipated that there should be positive implications for community safety as greater community cohesion is sought.

10. Equalities Impact

See screening sheet – No assessment required for this report however an equalities impact assessment has been carried out for the new Corporate Equalities Action Plan.

11. Risk Management

The table below shows the inherent risk (the risk of exposure with no controls in place) and the Auditors assessment of the risk exposure at corporate level.

Risks		Inherent Risk Assessment	Auditors Assessment
Risk 1	Decision makers and contractors are unaware of their responsibilities under equalities legislation.	High	Medium
Risk 2	Equality analysis is not used to inform decisions and policies.	High	Medium
Risk 3	Irrelevant and insufficient evidence is used for equality analysis.	High	Medium
Risk 4	Actual impacts are different to those expected.	High	Medium

12. Partnership Implications

Yes – As we pass on our duty to those we engage to carry out services or grant funds to we will need to ensure they are advised of this shared responsibility and include monitoring of their response within any monitoring arrangements.

13. Recommendations

Councillors are recommended to:

Note our performance against requirements and targets.

Consider the proposed response in the form of the Corporate Equalities Action Plan (Appendix 3) and comment/ support as appropriate.

Mark Leeman

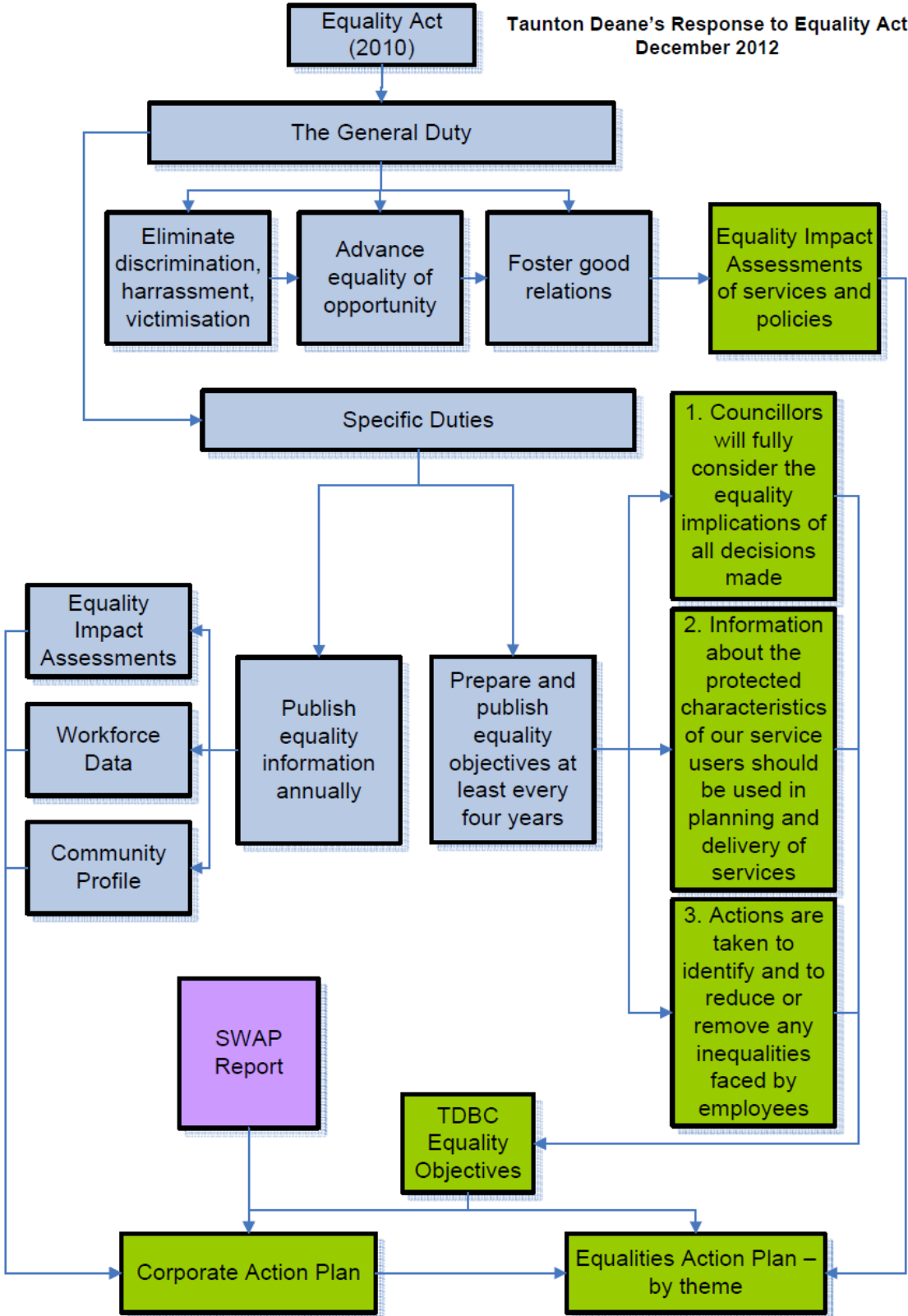
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Appendices

1 - Taunton Deane's Response to the Equalities Act (2010)



2 – Corporate Equalities Objectives

Objective 1: Councillors will fully consider the equality implications of all decisions that they make.

Activity	Response	
a) Ensure that 100% of reports that go to the Council Executive have accompanying Equality Impact Assessments.	Reports to the Executive that should have had an EIA attached or contained a full summary that did = 89% (8/9 reports). As at Q2 2012/13	Amber
b) Provide equality and diversity awareness training to 100% Councillors on Scrutiny Panels, Planning Committees and Executive	Being checked	
c) Make sure that 95% of all councillors have received equality and diversity awareness training.	A high proportion of Members have received this training although newer members and some others have not. Further training sessions required.	Amber

Objective 2: Information about the protected characteristics of our service users should be used in the planning and delivery of services.

Activity	Response	
a) Service areas will publish profiles every two years which describe the protected characteristics of their service users in order to inform service delivery	Due March 2014	NA

Objective 3: Actions are taken to identify and to reduce or remove any inequalities faced by employees.

Activity	Response	
a) Ensure 100% of employees are contacted annually to ensure their employee equalities monitoring data is up to date	Staff with access to SAP have been asked to update their details. Those without SAP have completed forms and their information is being input. Oct 2012	Green
b) Where cases of bullying and harassment arise, we undertake to consult with staff and trade unions to identify and treat the causes	There is a robust policy in place and HR meets on a fortnightly basis to consult with Unison on a one to one basis, which would be forum for discussing such issues	Green

3 – Corporate Equalities Action Plan

Key Equality Actions			
Ref	Actions	Frequency / Deadline	Lead Officer
1.	Equality Impact Assessments / Screening (Services/Policies/Changes/Budget reductions)	All reports	Theme/Service Managers, Lead officers
2.	Publishing EIAs on website (includes those within committee reports)	Monthly	Business Support
3.	Liaison with Finance on EIA of MTFP	Autumn	Paul Fitzgerald
4.	Equality Action Plans (EAPs)	Annually	Theme Managers
5.	Publishing Equality Action Plans (EAPs) on website	Annually	Business Support
6.	Web site – maintaining equality pages to ensure meet legislation	Quarterly	Strategy Unit
7.	Performance Scorecard Reports: Monitoring EIAs in Exec Reports	Quarterly	Business Support (R Bryant)
8.	Monitoring EAPs within Theme Scorecards	Quarterly	Dan Webb
9.	Service User Profiles	Biennial – due March 2014	Service Managers
10.	Staff Equality Profiles and equality objective #3	Annually	SWOne (Martin Griffin)
11.	Community Equality Profile	Annually	Helen Phillips
12.	Publishing Equality Profiles on website	Annually	Business Support
13.	Establishing and Publishing Equality Objectives (renew every 4 years)	2016	Mark Leeman
14.	Equality Performance Report	Biannual	Helen Phillips
15.	Performance Monitoring Equality Objectives (publish in Equality Perf Report)	Biannual	Helen Phillips
16.	Keeping up to date with legislative changes and sharing information	As required	Helen Phillips / Mark Leeman Hub / SEOG
17.	Responding to FOI requests	As required	Mark Leeman
18.	Staff Inductions	Biannual	Lisa Redston/Vikki Hearn

19.	Translation Briefing Sheet	January 2013	Lisa Redston
20.	CMT Training	January 2013	Lisa Redston / Mark Leeman
21.	Leads Meeting – awareness raising	Jan – Jun 2013	Mark Leeman/ LR/ HLP
22.	Equalities surgeries	Monthly	Lisa Redston / Mark Leeman
23.	Organising Cllr training (Awareness and EIAs)	4 years	Business Support
24.	Organising Staff training (Awareness and EIAs – new and 3 year refresh)	As required	Service Managers
25.	Liaison with Taunton Disability Group	Quarterly	Lisa Redston
26.	Liaison with Gypsy and Traveller Forum and Working Group	Quarterly	Ann Rhodes, Vikki Hearn, Lisa Redston
27.	Attendance at SEOG	Every 2 months	Mark Leeman
28.	Attendance at SW1 Equalities Group	Quarterly	Mark Leeman
29.	Communicating and Coordinating Equality Work (S and P team meetings, and after SEOG meetings)	Monthly	Mark Leeman

4 - Performance Monitoring Table – by Theme

Theme	Equalities Action Plan?	RAG status - Overall	Executive reports have EIA?	Service user profile available	Profile information in use?
Strategy & Performance (SL)	Yes	Amber	Yes – mostly	Partial	Yes
Corporate & Client Services (RS)	Yes	Amber	Yes – where applicable	Partial	Partial
Democratic Services (TM)	No	Red	Yes – where applicable	Partial	Partial
Health & Housing – (JB)	Yes	Amber	Yes	Yes – partial and on-going	
Economic Dev & Regeneration (MG)	Yes	Amber	Partial -	No	No
Growth & Development	Yes	Amber	Yes	No	No

(TB)					
Community & Commercial Services (CH)	No	Red	Yes	No	No

5 - SWAP - Equality Analysis Integration Final Report - Nov 2012



SWAP Audit Report
Dec 2012.pdf

6 - Equalities Action Plan Monitoring – Quarterly review by CMT

OBJECTIVES	MEASURES & TARGETS	ALERT (RAG)	RESULTS, COMMENTS* & ACTIONS (* Issues, Risks & Achievements)
Equality Action Plan Complete, implement, monitor & review EAP	Action Plan is updated with new actions from EIAs as completed. Progress against actions reviewed min quarterly		<ul style="list-style-type: none"> No. of actions in EAP % actions 'on / off track' Date EAP last reviewed

7 - Equalities Action Plan Template – Proposal



DRAFT EAP
Worksheet.xls

Additional relevant reports available from Strategy Unit:

- Staff Profile 2012
- Equality Information Report 2012 – A Profile of Taunton Deane

Taunton Deane Borough Council

Corporate Governance Committee – 11 March 2013

Risk Management

Report of the Performance Lead

(This matter is the responsibility of Executive Councillor Vivienne Stock-Williams)

1. Executive Summary

- 1.1 This report provides an update on progress with the Council's approach to Risk Management (Strategic, Projects, and Operational).
- 1.2 The Corporate Management Team (CMT) has recently undertaken a review of the Corporate Risk Register (as part of the quarterly corporate performance review process). A Summary Risk Profile and list of 17 risks is included as part of this report.
- 1.3 A Risk Management Action Plan is included within this report – this outlines the key areas of focus to further improve and embed Risk Management during 2013.

2. Background

2.1 Introduction

Risk Management is an important element of management and in planning and providing the safe delivery of economic, efficient, and effective Council services. It is recognised as an integral part of good management practice. To be most effective, risk management should become part of the Council's culture. It should be part of the philosophy, practices and service planning rather than viewed as a separate initiative. When this is achieved, risk management becomes the business of everyone in the organisation and therefore is embedded

2.2 Roles and responsibilities of the Corporate Governance Committee

The Corporate Governance Committee is responsible for monitoring the corporate governance of the authority. It will receive regular reports on way risk is being managed in the authority.

Members' key tasks in relation to Risk Management are:

- Approving the Risk Management Strategy and implementation plan.
- Monitoring the effectiveness of the Council's risk management and internal control arrangements.
- Reviewing Corporate Risks

3. Risk Management progress update

3.1 Corporate Risk Register

3.1.1 The Corporate Risk Register is a 'live' document and has been subject to formal reviews by CMT in September 2012, and more recently 4th February 2013. The key outcomes of the CMT risk review process are:

- To review and approve refreshed Corporate Risk Register (with recent updates from each risk owner), and to consider TDBC overall risk exposure (summary risk profile)
- To identify any new strategic risks for inclusion on the Corporate Risk Register
- To consider any risks that require escalating to the Corporate Risk Register from Theme / Service or Project risk registers

3.1.2 Each individual risk 'owner' has also since reviewed and updated their 'risk response actions' on the risk register. A Summary Risk Profile and list of 17 risks is attached at Appendix A.

3.1.3 The full Corporate Risk Register is available to view by contacting the report author. This includes:

- Detailed risk description (cause, risk 'event', effects)
- Risk owner
- Existing control measures and planned risk response actions
- Current and target risk probability & impact assessment 'scores'

3.1.4 Regular review and monitoring of the Corporate Risk Register is now included as an integral part of the quarterly CMT corporate performance review meetings. The next review is scheduled for May 2013 (Quarter 4 performance review).

3.2 Operational Risk Registers

3.2.1 Each Theme / Service has an operational risk register in place. These are currently under review and will be updated as part of the 2013/14 annual service planning process. The highest areas of risk are considered by CMT for escalation to the Corporate Risk Register – this happens during CMT quarterly corporate performance review meetings.

3.3 Project Risk Registers

3.3.1 A new meetings schedule has been introduced for the Corporate Management Team (CMT), which now includes a monthly Change Programme & Projects review – this will be known as the 'Programme Management Group' (PMG). One of the key functions of 'PMG' will be to manage cross-Programme issues and risks escalated by the Programme Manager.

3.3.2 'PMG' will also ensure that each major corporate project / 'business as usual' priority task has appropriate governance in place, for example: Project Risk Management Strategy; Project Risk Register (subject to regular review); Risk Response Action Plans (including the monitoring and effectiveness of risk control measures).

3.4 Risk Management Action Plan 2013

3.4.1 The key areas of focus to further improve and embed Risk Management during 2013 are shown in the TDBC Risk Management Action Plan (see Appendix B).

3.4.2 The action plan includes a mix of essential and desirable / developmental activities – each action has been given a priority rating as High, Medium or Low.

3.4.3 Reassurance on the Council's approach to Risk Management should be gained from the feedback from the LGA Peer Review (September 2012) where risk management was described as 'robust'. In addition, internal (SWAP) audit reports from 2011 and 2012 provided 'reasonable assurance' audit findings.

4. Finance Comments

4.1 Financial risk is explained in the Risk Management Strategy and considered within the Corporate Risk Register.

5. Legal Comments

5.1 Legal risk is explained in the Risk Management Strategy and considered within the Corporate Risk Register.

6. Links to Corporate Aims

6.1 As this report covers the Council-wide approach to managing risk, all Corporate Priorities are affected

7. Environmental and Community Safety Implications

7.1 These areas are considered within the Corporate Risk Register.

8. Equalities Impact

8.1 An Equalities Impact Assessment is not required. Equalities issues are considered within the Risk management process.

9. Risk Management

9.1 This report outlines all aspects of corporate Risk Management.

10. Partnership Implications

- 10.1 Partnership risk management is referred to in the Risk Management Strategy, Action Plan, and Corporate Risk Register.

11. Recommendations

It is recommended that the Corporate Governance Committee:

- 11.1 Note progress with Corporate Risk Management
- 11.2 Comment on and contribute to the Corporate Risk Register review
- 11.3 Approve the Risk Management Action Plan

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Corporate Risks - Summary Risk Profile (February 2013)

This is a simple graphical representation of the total strategic risk to the organisation, showing all the key risks on one picture.

The Summary Risk Profile includes the 'Risk Tolerance Line' and will clearly show all risks that sit above this line indicating the highest priority, therefore requiring the closest management attention.

PROBABILITY	Very Likely 5				6,	
	Likely 4			13, 15	1, 3, 5, 10, 17	16
	Feasible 3				4, 11,	2, 7,
	Slight 2				8	9, 12, 14
	Very Unlikely 1					
		Insignificant 1	Minor 2	Significant 3	Major 4	Critical 5
IMPACT						

Corporate Risks

No.	Risk / Issue description	Score
1	<p><u>Political Leadership</u> TDBC remains in a 'no overall control' position. There is a risk of lack of clear political leadership and difficulties with decision-making on key strategic issues.</p>	16
2	<p><u>Financial - Medium-Term Financial Planning (MTFP)</u> We are experiencing unprecedented budgetary pressures and adverse economic conditions. There is a risk that this could result in a failure to agree and deliver a sustainable MTFP for the next 5 years (2012/13 - 2016/17).</p>	15
3	<p><u>Corporate Aim - Tackling Deprivation</u> IMD scores in 2010 confirm that deprivation is worsening and deepening in North Taunton and Taunton East, and this is compounded by the adverse economic conditions and increasing unemployment. Taunton Deane Partnership's 'Priority Areas Strategy' (PAS) programme is being developed to address the issue, however, if the work is not supported, or not adequately resourced: There is a risk that the PAS programme may be unsuccessful and we fail to reduce levels of deprivation in our most deprived communities.</p>	16




4	<p><u>Corporate Aim - Growth</u> The on-going adverse economic climate (national & local), a lack of market appetite for growth and no 'plan B' means that There is a risk that the Development Plan proposals for housing delivery and employment land may not be realised.</p>	12
5	<p><u>Corporate Aim - Growth</u> A lack of funding for infrastructure (insufficient CIL income, New Homes Bonus & other Govt funding through the LEP), and a lack of engagement with the Local Enterprise Partnership (LEP): There is a risk that the Infrastructure Delivery Plan (IDP) cannot be delivered.</p>	16
6	<p><u>Corporate Aim - Regeneration of Taunton town centre & retail scheme</u> Adverse economic conditions and lack of development activity with Firepool & a retail scheme means that: There is a risk that the 'Firepool' site may fail to attract private sector investment & stagnates, and Taunton town retail centre scheme may not come forward.</p>	20
7	<p><u>ICT Infrastructure</u> TDBC has an ageing ICT infrastructure (95% is over 6 years old) and a replacement of key elements is well overdue. A risk of significant failure of key servers and/or internal networks.</p>	15
8	<p><u>Information Governance</u> A lack of adequate corporate knowledge & training (ie policies & processes) could cause: A risk of a significant failure of Information Governance controls (eg a breach of data security / data protection regs).</p>	8
9	<p><u>Health & Safety</u> A lack of adequate arrangements in place (corporate procedures, systems, training, planning & guidance) could mean There is a risk of serious failure in the delivery of Health & Safety duties and policy compliance.</p>	10
10	<p><u>Corporate Governance arrangements on running the business</u> Lack of 'policing' of corporate governance arrangements means: There is a risk of failure to comply with key internal controls & corporate governance arrangements (ie budget monitoring, risk management, debt management, performance management, compliance with audit recommendations, asset management).</p>	16
11	<p><u>Welfare Reform risk</u> There is a risk that: a) the Council does not adequately prepare for the impact of the Government's Welfare Reform Agenda on our community or services (CTRS, Business Rates, Universal Credit) b) there is a legal challenge against the Council tax Scheme</p>	12
12	<p><u>Civil Contingency & Business Continuity Planning (including IT Disaster Recovery)</u> Should there be a lack of adequate planning or effective arrangements in place: There is a risk that TDBC may be unprepared for and unable to provide an adequate response to a major emergency incident , or may demonstrate a lack of resilience to unexpected events.</p>	10

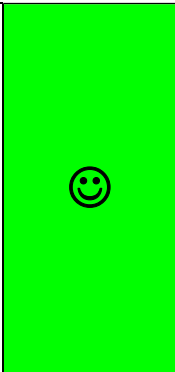
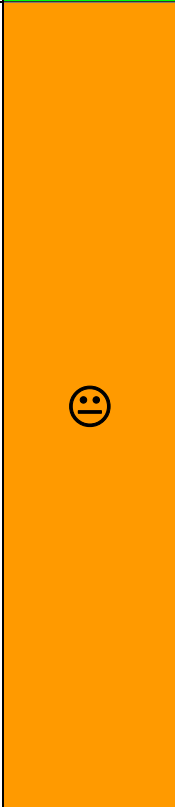
13	<p><u>Gypsies & Travellers</u> Local Authorities have a (planning) duty to allocate suitable provision for Gypsies & Travellers. TDBC has had previous experience of illegal Gypsy & Traveller encampments. There is a risk that TDBC is unable to identify suitable provision if required and cannot defend against future illegal encampments.</p>	12
14	<p><u>Southwest One partnership</u> SW1 is sustaining significant losses & one of the partners has renegotiated significant elements of their contract with SW1. There is a risk of the SW1 partnership failing to deliver TDBC objectives, and/or a premature termination of the contract.</p>	10
15	<p><u>Hinkley Point</u> The development of a the new Hinkley C power station (a 10 year construction period) may cause a variety of threats and opportunities to the achievement TDBC strategic objectives. There is a risk that the development will have an adverse impact on local accommodation, skills & employment and highways, and/or Economic & Social opportunities may not be realised (eg benefits to local businesses & the local economy of permanent inward migration).</p>	12
16	<p><u>Flooding</u> Lack of capital finance and an agreed scheme, and lack of awareness of the problem There is a risk of non delivery of flood protection schemes.</p>	20
17	<p><u>Equalities</u> TDBC does not have a dedicated resource for equalities. The Strategy team continues to take responsibility for embedding equalities, however an audit report (Nov 2012) on 'Equalities Analysis Integration' offers only 'Partial assurance' and recommends 3 actions with 'Priority 4' rating. 4 risks were identified and given a 'Medium' Auditor's Assessment - these are: Risk a - Decision makers and contractors are unaware of their responsibilities under equalities legislation Risk b - Equality analysis is not used to inform decisions and policies Risk c - Irrelevant and insufficient evidence is used for equality analysis Risk d - Actual impacts are different to those expected</p>	16

TDBC RISK MANAGEMENT ACTION PLAN 2012/13 (February 2013) Appendix B

Aim: To embed a Risk Management culture, leadership & systems across the Authority.

Item	Action	Priority	Responsible Person	Date for completion /review	Status	Notes
1	Issue new Risk Register template & guidance to Theme Managers	H	DW	End Dec 11	☺ Complete	Included in Service Planning template & guidance
2	Theme Managers to review Theme / Service risks and update operational risk registers (DW to help facilitate if required)	H	All TMs	End March 12	☺ Complete	
3	Annual review of strategic risks – complete new Corporate Risk Register	H	CMT	Jan – Feb 12	☺ Complete	CMT workshop held 23 Jan. Corporate Risk Register drafted
4	Review of Corporate Risk Register (inc Risk Response action plans & regular monitoring of these)	H	CMT	Sept 12 (Qtr 1) ✓ Nov 12 (Qtr 2) ✓ Feb 13 (Qtr 3) ✓ May 13 (Qtr 4)	☺	CMT corporate risk review 4 th Feb 2013 as part of Qtr 3 performance review.
5	Review and revise Risk Management Policy, Strategy & Process Guide. (Report to CMT & Corporate Governance Committee for approval)	M	DW	CMT – Feb '13 CG cttee – Mar '13	☹	RM Strategy & Process Guide being used by CMT & Project Managers. RM Policy review not yet commenced.
6	Develop & implement a Risk Communications Plan including: - a plan to integrate and join-up Risk Management skills, systems & knowledge (ie Risk Management; Health & Safety; Business Continuity / Civil Contingencies) - Staff / Member training & development activities - Stakeholder (partner) engagement	L	D Webb D Woodbury J Lewis	During 2012/13	☹	No progress (in terms of integrating the 3 areas). BCP planning & training is being progressed separately. H & S audits & systems (eg 'dynamic risk assessment') is also being progressed separately. <i>Considered a low priority to develop further</i>

7	Ad-hoc monitoring of appropriate consideration of Risk Management within council reports / decisions	M	DW	Ad-hoc		<p>The Strategy & Performance team have initiated a project to review the Council's approach to 'Impact Assessments' (including committee reports). A new approach will be proposed to CMT that will extend the existing Risk Management process to highlight all types of impacts, ie Equalities, Finance, Legal, Environmental, Community Safety etc). One of the project outcomes will be to provide guidance for report authors.</p> <p>Risks and mitigating actions will be managed and monitored through CMT quarterly performance reviews, and by the Programme Management Group (corporate projects), and Theme Managers – supported by the Performance Lead.</p>
8	Bi-annual RM report to Corporate Governance Committee	H	DW	March & September		<p>Last reported 24 Sept 2012. Next report due March 2013</p>
9	Develop a Risk Management Strategy (including 'Risk Appetite' statements) for key risk areas: <ul style="list-style-type: none"> i. Strategic (Corporate Business Plan) ii. Major Projects iii. Operational (Theme / Service Planning) 	M	<ul style="list-style-type: none"> i. CMT ii. PMG iii. DW / TMs 	<ul style="list-style-type: none"> April '13 Dec '12 April '13 		<p>Strategic RM strategy in place for 2012/13 – needs update once new CBP adopted.</p> <p>Generic Theme/Service RM strategy in place.</p> <p>Project Managers (PMG) requested to complete by Dec '12 – off track.</p>
10	Learning lessons: <ul style="list-style-type: none"> - insurance claims - project management (ie at closure stage) - partnership issues 	M	CMT / RMT	On-going	New	No progress at this stage

11	<u>Linking Risk and Performance</u> i. ensure 'Early Warning Indicators' are included in corporate performance monitoring (scorecard) once new Corporate Business Plan adopted ii. Quarterly CMT corporate performance reviews to include risk & issues updates	H	DW / SL DW / CMT	April '13 Quarterly (on-going)		i) EWIs to be identified as part of corporate scorecard / PI review (transition from Corporate Strategy to new Business Plan) – April/May 2013 ii) In place
12	<u>Project risk management</u> (ref SWAP audit Oct '12) Ensure robust Risk Management approach is embedded & processes are in place for all major projects (ie scope of new Programme Management Group), in particular: i. Risk Registers kept up-to-date and reviewed regularly (documenting control measures, revised risk scores etc) ii. Health & safety risk to be fully considered within the RM process, and iii. Develop H & S processes for construction projects iv. On-going RM support and training for project managers (through PMG and in other projects on ad-hoc basis)	H	DW / Project Managers (PMG) Richard S & David W DW	i) Monthly (PMG) ii) On-going iii) ? iv) On-going		Audit Oct '12 – <i>'Reasonable assurance'</i> with 5 recommendations (priority rating 2/3). i) PMG launched Nov '12. Project risks are included within monthly project scorecard reports to PMG, however only 2 Project Risk Registers are currently uploaded to PMG sharepoint. ii) H & S included in Risk Prompt Lists – further development of guidance being considered as part of a wider review of <i>'Impact Assessment'</i> methodology. iii) Meetings arranged by Richard Sealy in Oct – Nov re H & S processes in construction projects. Issue not resolved (David W has now retired).

Taunton Deane Borough Council

Corporate Governance Committee – 11 March 2013

Internal Audit Plan Progress 2012-2013

Report of the Group Audit Manager – Ian Baker

(This matter is the responsibility of Executive Councillor John Williams, the Leader of the Council).

1. Executive Summary

The Internal Audit function plays a central role in corporate governance by providing assurance to the Corporate Governance Committee, looking over financial controls and checking on the probity of the organisation.

The 2012-13 Annual Audit Plan is on track to provide independent and objective assurance on TDBC's Internal Control Environment. This work will support the Annual Governance Statement.

2. Background

This report summarises the work of the Council's Internal Audit Service and provides:

- Details of any new significant weaknesses identified during internal audit work completed since the last report to the committee in September (**Appendix B**).
- A schedule of audits completed during the period, detailing their respective assurance opinion rating, the number of recommendations and the respective priority rankings of these (**Appendix A**).

Members will note that where a partial assurance has been awarded, Internal Audit will follow up on the agreed management responses to provide assurance that risk exposure has been reduced.

3. Detailed Update

Please refer to the attached SWAP Progress Report.

4. Finance Comments

There are no specific finance issues relating to this report.

5. Legal Comments

There are no specific legal issues relating to this report.

6. Links to Corporate Aims

Delivery of the corporate objectives requires strong internal control. The attached report provides a summary of the audit work carried out to date this year by the Council's internal auditors, South West Audit Partnership.

7. Environmental Implications

There are no direct implications from this report.

8. Community Safety Implications (if appropriate, such as measures to combat anti-social behaviour)

There are no direct implications from this report.

9. Equalities Impact

There are no direct implications from this report.

10. Risk Management

Any large organisation needs to have a well-established and systematic risk management framework in place to identify and mitigate the risks it may face. TDBC has a risk management framework, and within that, individual internal audit reports deal with the specific risk issues that arise from the findings. These are translated into mitigating actions and timetables for management to implement. The most significant findings since the last committee report are documented in **Appendix B**.

11. Partnership Implications

There are no direct implications from this report.

12. Recommendations

Members are asked to note progress made in delivery of the 2012/13 internal audit plan and significant findings.

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Taunton Deane Borough Council

Report of Internal Audit Activity
March Update 2012-13

Contents

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Appendices

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Our audit activity is split between:

- **Operational Audit**
- **Key Control Audit**
- **Governance, Fraud & Corruption Audit**
- **IT Audit**
- **Special Reviews**

See Appendix A for individual audits

Role of Internal Audit

The Internal Audit service for Taunton Deane Borough Council is provided by South West Audit Partnership (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors and also follows the CIPFA Code of Practice for Internal Audit. The Partnership is also guided by the Internal Audit Charter approved by the Corporate Governance Committee at its March 2012 meeting.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes;

- Operational Audit Reviews
- Cross Cutting Fraud and Governance Reviews
- Annual Review of Key Financial System Controls
- IT Audit Reviews
- Other Special or Unplanned Reviews

Internal Audit work is largely driven by an Annual Audit Plan. This is approved by the Section 151 Officer, following consultation with the Corporate Management Team and External Auditors. This year's Audit Plan was reported to this Committee at its meeting in March 2012.

Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk. Key Control Audits are undertaken in quarter three of each year and these are planned in conjunction with the Council's External Auditor to assist in their assessment of the Council's financial control environment. This reduces the overall cost of audit to the Council.

Members are asked to comment on and note the content of this report.

Outturn to Date:

We rank our recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action

Internal Audit Work Programme

The schedule provided at [Appendix A](#) contains a list of all audits as agreed in the Annual Audit Plan 2012/13. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

Each completed assignment includes its respective “control assurance” opinion together with the number and relative ranking of recommendations that have been raised with management. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as shown in [Appendix C](#).

Where assignments record that recommendations have been made to reflect that some control weaknesses have been identified as a result of audit work, these are considered to represent a less than significant risk to the Council’s operations. However, in such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. To further assist with this assurance all 4 & 5 priority recommendations will be followed up by internal audit to confirm the weakness has been addressed.

Further, should an audit review identify any significant corporate risk as ‘very high’, as described in [Appendix C](#), these will also be brought to the attention of the Committee.

We keep our audit plans under regular review, so as to ensure we are auditing the right things at the right time.

Future Planned Work

The audit plan for 2012-13 is detailed in [Appendix A](#). As reported at the last committee two additional reviews have been agreed with the Council's Section 151 Officer. At the beginning of October we started a review on the Acolaid System which is now at report stage. The second additional review on Project Management Arrangements on the Crematorium Mercury Filtration Project scheduled for quarter 4 which is currently in progress.

Since the last committee there has been one further change to the Internal Audit Plan with the System Development Life Cycle deferred to quarter 1 of the 2013-14 plan. This is so we could accommodate a wider scope on the Asset Management Audit and Expenses Audit and undertake some additional analysis on the Gas Servicing Audit.

Progress to date

A list of all audits planned for 2012-13 and their status as at the 27 February are detailed in [Appendix A](#). There are now a total of 39 reviews covering the 2012-13 plan. 31 are at a report status, and 8 are in progress. As previously reported there have been some variations to the planned delivery timings, namely around creditors fraud, contract fraud, Procurement Rules and software licensing.

So in summary, towards the end of February 79% of the plan was at a report stage and 21% in progress. Despite the partnership being hit by higher than normal levels of sickness and vacancies all audit field work should be materially completed by the end of March 2013 to ensure 100% delivery of the internal audit plan.

Internal Audit will use the findings to formalise an opinion on how effective the internal control, risk management and governance arrangements are. This opinion is used to support the Annual Governance Statement.

Summary of Significant Findings

It is the role of Internal Audit to bring to the attention of the Corporate Governance Committee any significant corporate risks identified during our work. For each Operational Audit and Governance Audit we assess the agreed risks identified against an inherent risk score (if no controls existed), and then provide an Auditors Assessment once we have tested the mitigating Controls. Where the Inherent risk score is very high and after testing the mitigating controls the assessment remains very high, then these risks will be reported to this Committee. We are pleased to report that no significant corporate risks have been identified during our work.

In addition to reporting significant corporate risks we also bring to the attention of the Corporate Governance Committee a summary of the agreed actions relating to high priority (scored as a 4 or 5) service recommendations. Appendix B is a summary of the high priority recommendations made since the last Committee where reports have been finalised. Members are asked to note the findings and management actions.

Audit Plan Progress 2012-13 End of February 2013

APPENDIX A

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Minor ←————→ 5 = Major				
						Recommendation				
						1	2	3	4	5
Follow-up Audit	Contract Management	1	Final	Follow-up	4	0	0	1	1	2
Follow-up Audit	Threat from Fraud or Corruption (Policy Review)	1	Final	Follow-up	5	0	0	4	1	0
Special review	Project Taunton - Transaction Review	1	Final	Non-Opinion	0	0	0	0	0	0
Governance, Fraud & Corruption	Fraud and Corruption - Creditors Fraud	1	Draft	Partial						
Governance, Fraud & Corruption	Data Security Breaches	1	Draft	Partial						
Governance, Fraud & Corruption	Delivery of Major Projects - Risk Management	1	Final	Reasonable	5	0	2	3	0	0
Governance, Fraud & Corruption	Business Continuity in times of change/reduction	1	Final	Partial	9	0	0	3	4	2
Governance, Fraud & Corruption	HR Policies - Absence Management	1	Final	Reasonable	3	0	1	2	0	0
Operational Audits	SAP Administration	1	Final	Reasonable	2	0	0	0	2	0
Operational Audits	Development Control	1	Final	Reasonable	7	0	3	4	0	0
Operational Audits	Equalities Analysis Integration	1	Final	Partial	3	0	0	0	3	0
Follow-up Audit	Economic Development	2	Final	Follow-up	10	0	0	7	3	0
Follow-up Audit	Supporting People	2	Final	Follow-up	4	0	0	2	2	0
Governance, Fraud & Corruption	Fraud and Corruption - Contract Fraud	2	Draft	Reasonable						
Governance, Fraud & Corruption	Committee Reporting - Member Decisions	2	Final	Reasonable	3	0	0	3	0	0

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Minor ←————→ 5 = Major				
						Recommendation				
						1	2	3	4	5
Governance, Fraud & Corruption	Procurement Rules (deferred to quarter 4)	2	In Progress							
ICT Audits	Adherence to the new Information Security Policy including portable storage security	2	Draft	Reasonable						
Operational Audits	Housing - Asset Management	2	Draft	Reasonable						
Operational Audits	South West Private Sector Housing partnership	2	Final	Reasonable	8	0	0	8	0	0
Operational Audits	SWO Contract Monitoring	2	Final	Reasonable	3	0	0	2	1	0
Operational Audits	Health & Safety Review	2	Final	Partial	9	0	1	6	2	0
Key Control	Creditors	3	Draft	Partial						
Key Control	Council Tax & NNDR	3	Final	Substantial	1	0	0	1	0	0
Key Control	Debtors	3	Final	Partial	8	0	1	5	2	0
Key Control	Housing Benefits	3	Final	Substantial	1	0	1	0	0	0
Key Control	Main Accounting	3	Final	Substantial	0	0	0	0	0	0
Key Control	Payroll	3	Draft	Reasonable						
Key Control	Capital Accounting	3	Draft	Reasonable						
Key Control	Housing Rents	3	Final	Reasonable	3	0	0	3	0	0
Key Control	Treasury Management	3	Final	Substantial	0	0	0	0	0	0
Key Control	SAP Access	3	In Progress							
Governance, Fraud & Corruption	Treasury Management Strategy Review Cross Partnership	3	In Progress							
Operational Audits	Benefit Scheme Changes	3	In Progress							
ICT Audits	Software Licensing	4	In Progress							
Governance, Fraud & Corruption	Fraud and Corruption - Expense Claim Fraud	4	In Progress							

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Minor ←————→ 5 = Major				
						Recommendation				
						1	2	3	4	5
Governance, Fraud & Corruption	Asset Management Planning	4	In Progress							
ICT Audits	System Development Life cycle (Deferred to quarter 1 – Time used for additions work on Asset Management Planning, Gas Servicing and Members Expense Data)	4	Deferred to Q1							
Operational Audits	Waste & Recycling (Contribution to SWP Plan)	4	N/A							
Operational Audits	Housing - Gas Servicing	4	In Progress							
Follow-up Audit	Project Taunton Follow up work (Deferred to quarter 1 – replaced by Project Management Arrangements - Crematorium Mercury Filtration Project)	4	Deferred to Q1							
Follow-up Audit	IT Strategy (Deferred to quarter 1 – replaced by Project Management Arrangements - Crematorium Mercury Filtration Project)	4	Deferred to Q1							

Additional Reviews

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Minor ←————→ 5 = Major				
						Recommendation				
						1	2	3	4	5
Special review	Acolaid	2	Draft	Non-Opinion						
Special review	Project Management - Crematorium Mercury Filtration Project	4	In Progress							

APPENDIX B

Weakness Found	Risk Identified	Recommended Action	Management's Agreed Action	Agreed Date of Action	Responsible Officer
SAP Administration					
SAP user issues are not intrinsically shared, there is also little effective communication between users and Authorities. There is a SAP users group which is attended by a SWOne technical representative.	As outsourced delivery becomes more prevalent there is a significant risk that the authority may de-skill itself to the point where measurement and challenge of service delivery is compromised.	I recommend that Taunton Deane Borough Council should consider meeting with representatives from both Wiltshire and Dorset County Councils to identify issues of common interest and discuss possible solutions that could be applied by SAP users. Where it has been identified that issues could be addressed by re-educating users in how they can more effectively work with SAP applications any best practice should be shared based on successes achieved at individual councils.	Agreed	30 September 2013	Strategic Finance Manager
Data Cube for SAP not fully developed to drill down into the data and lack of deployment of the Business Intelligence (BI) module.	There is a risk that the Authority does not have effective access to up to date management information.	I recommend that Taunton Deane Borough Council should make contact with Dorset County Council and Wiltshire Council to discuss issues with SAP reporting and management information with a view to identifying potential improvements.	Agreed	30 September 2013	Strategic Finance Manager

Weakness Found	Risk Identified	Recommended Action	Management's Agreed Action	Agreed Date of Action	Responsible Officer
Health & Safety Review					
<p>A number of previous audit recommendations are either not completed or remain outstanding, namely:</p> <ul style="list-style-type: none"> • Not all Health and Safety information is available on SharePoint. • There is no corporate programme for completion of risk assessments. • There is no comprehensive Health and Safety training database. 	<p>There is a risk that significant audit findings still have not been addressed and therefore the Authority are still not following best Health and Safety practice.</p>	<p>a) I recommend the SWO H&S Advisor ensures that revised key dates are agreed on implementing;</p> <p>1.1a Completeness of Health and Safety information published on Sharepoint.</p> <p>1.2a Completeness of Corporate programme for risk assessments.</p>	Agreed	30/06/2013	SW1 Health and Safety Advisor
		<p>b) I recommend the Health and Safety Advisor ensures that the following areas are included in the 'Compliance audit' documented in the Health and Safety strategy/plan;</p> <ul style="list-style-type: none"> • Completion of risk assessments. • Completion and adequacy of Health and Safety policy. • Completion and adequacy of Health and Safety training 	Agreed	30/06/2013	SW1 Health and Safety Advisor

Weakness Found	Risk Identified	Recommended Action	Management's Agreed Action	Agreed Date of Action	Responsible Officer
SWO Contract Monitoring					
There is no independent verification on the accuracy of PI results.	There is a risk that inaccurate data is reported which could financially disadvantage the Council.	I recommend that the Corporate & Client Services Lead implements a regime for spot-checking reported performance indicator data.	Agreed	31 Mar 2013	Corporate & Client Services Manager
Debtors					
Debt Monitoring Reports are not run regularly in all services.	Service will not be able to make an informed judgement on its bad debt position to ensure the Council's overall bad debt position is minimised, as part of its budgetary monitoring process.	I recommend that the position as regards the monitoring of outstanding debt and the effectiveness of the debt follow up actions should be kept under active review by the Theme Managers in order to ensure consistency of approach across all sales offices.	Agreed	Ongoing	Theme Managers
The resourcing of debt monitoring has not been complete and as result some debts have not been properly pursued.	Not all debts due will be recovered.	I recommend that resource availability and allocation for debt follow up is closely monitored by the AR Team Manager to ensure debt chasing actions can be continuously progressed.	Agreed	Ongoing and will be reviewed once SAP scripting for TDBC is in place	Accounts Receivable Manager

Control Assurance Definitions

Substantial	▲☆☆☆	I am able to offer substantial assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
Reasonable	▲☆☆	I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	▲★☆☆	I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
None	▲★☆☆	I am not able to offer any assurance. 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.

Categorisation Of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors, however, the definitions imply the importance.

Priority 5: Findings that are fundamental to the integrity of the unit’s business processes and require the immediate attention of management.

Priority 4: Important findings that need to be resolved by management.

Priority 3: The accuracy of records is at risk and requires attention.

Priority 2: Minor control issues have been identified which nevertheless need to be addressed.

Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

Definitions of Risk

Risk	Reporting Implications
Low	Issues of a minor nature or best practice where some improvement can be made.
Medium	Issues which should be addressed by management in their areas of responsibility.
High	Issues that we consider need to be brought to the attention of senior management.
Very High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Taunton Deane Borough Council

Corporate Governance Committee - 11 March 2013

Internal Audit Plan 2013/2014

Report of the Strategic Director (Shirlene Adam)

(This matter is the responsibility of the Leader of the Council, Councillor John Williams)

Executive Summary

This report introduces the Internal Audit Plan for 2013/2014 and also incorporates an 'Internal Audit Charter' which sets out the operational relationship between TDBC and the South West Audit Partnership (SWAP).

This is a flexible plan that may be amended during the year to deal with shifts in priorities.

1. Background

Internal Audit Plan 2013/2014

- 1.1 The Internal Audit service for Taunton Deane Borough Council is delivered by South West Audit Partnership (SWAP).
- 1.2 The internal audit plan for 2013/2014 is set out in the attached report from SWAP. I am satisfied that this plan is focussed on key risks areas, and will help provide me with assurance on internal controls.
- 1.3 This has been discussed and supported by the Councils Corporate Management Team and is now shared with Members for approval.

Internal Audit Charter (Appendix B)

- 1.4 The internal audit service provided by the South West Audit Partnership (SWAP), works to a Charter that defines its roles and responsibilities and the roles and responsibilities of the Borough's managers as they relate to internal audit. Best practice in corporate governance requires that the Charter be reviewed and approved annually by the Corporate Governance Committee.
- 1.5 The Charter was last reviewed by the Corporate Governance Committee at their meeting on 12 March 2012 and would ordinarily be due for review and approval at this meeting.
- 1.6 Members will be aware that it has been approved by the SWAP Partnership Board that SWAP continues to move towards becoming a Company Limited by Guarantee. If finally approved by all appropriate

Partner Committees, this is likely to result in changes to roles and responsibilities within the Partnership. In addition the Public Sector Internal Audit Standards (PSIAS) will become mandatory effective from 1 April 2013. These too will have some impact on the Charter and therefore we suggest that the review of the Charter is deferred until June when we will hopefully also be able to provide the Committee with a brief resume of the PSIAS recommended practice that may warrant our attention.

2. Financial Issues / Comments

2.1 The plan will be delivered within the agreed budget for internal audit.

3. Legal Comments

3.1 There are no legal implications from this report.

4. Links to Corporate Aims

4.1 No direct implications.

5. Environmental and Community Safety Implications

5.1 No direct implications.

6. Equalities Impact

6.1 The approval of the internal audit plan does not require an equalities impact assessment to be prepared.

7. Risk Management

7.1 Any risks identified will feed in to the corporate risk management process.

8. Partnership Implications

8.1 The Strategic Director and the Internal Audit Team (SWAP – South West Audit Partnership) meet regularly to review the progress against plan. Quarterly updates are provided to this Committee.

9. Recommendation

9.1 The Corporate Governance Committee is requested to approve the Internal Audit Plan for 2013/2014.

9.2 To request the Audit Committee to accept the deferral of the Internal Audit Charter review until after April 2013.

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Taunton Deane Borough Council

Internal Audit Plan 2013-14

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Role of Internal Audit & Background

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The Annual Audit Plan

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Appendix A

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Our audit activity is split between:

- **Key Control Audit**
- **Governance, Fraud & Corruption Audit**
- **IT Audit**
- **Operational Audit**
- **Follow-Up Audit**
- **Non-Opinion Reviews**

Role of Internal Audit

The Internal Audit service for Taunton Deane Borough Council (TDBC) is provided by South West Audit Partnership (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors and also guided by interpretation provided by the Public Sector Internal Audit Standards. The work of the Partnership is also guided by the 'Internal Audit Charter' which was last reviewed and approved by the Audit Committee at its meeting on 12th March 2012

Internal Audit provides an independent and objective opinion on the Authority's governance, risk and control environment by evaluating its effectiveness. In order to achieve this, the audit activity is split across the review categories listed to the left.

Background

It is recommended by the Public Sector Internal Audit Standards that organisations nominate a 'Board' to oversee (monitor and scrutinise) the work of Internal Audit. As such, in addition to senior management oversight, this Council has determined that, the Corporate Governance Committee will undertake this function. The plan is presented in [Appendix A](#) to this report and represents the internal audit activity for the 2013/14 financial year.

It should be noted that plan days are only indicative for planning our resources. At the start of each audit an initial meeting is held to agree the terms of reference for the audit which includes the objective and scope for the review. Any changes to individual plan items, in terms of days, are managed within the annual payment made by the Council. The plan is pulled together with a view to providing assurance to both Officers and Members that current risks faced by the Authority are adequately controlled and managed. As with previous years the plan will have to remain flexible as new and emerging risks are identified. Any changes to the agreed plan will only be made through a formal process involving the Strategic Director (Section 151 Officer) and reported to this Committee.

The Annual Plan

The Annual Plan

In order to develop the plan for the year, the Audit Manager reviewed the Corporate Risk Register, Service Plans and Service Risk Registers as well as liaising with the Corporate Management Team (CMT) and the Section 151 Officer. In addition, SWAP Management facilitated a Control and Risk Self Assessment (CRSA) session with the SWAP Management Board. The session identified emerging risks facing local authorities in general with a view to co-ordinate, where possible, with audits of other members of the South West Audit Partnership (SWAP). Joint audits of this kind should derive real benefits in both reducing overall time taken and in the shared lessons that can be experienced by all partners.

The audit plan is notionally broken down across various audit categories; the following summarises each:

Key Control Audits – focus primarily on key risks relating to the Council’s major financial systems. It is essential that all key controls identified by the External Auditors are operating effectively to provide management with the necessary assurance. To this end we have liaised with External Auditor representatives and included any requirements that they have in providing them necessary assurance, in line with the International Auditing Standards, that they are required to audit against.

Fraud/Governance Audit –SWAP operate a specialised Fraud Team who will undertake proactive fraud reviews and also provide a reactive service to partners should the need arise. Fraud and Governance reviews were identified at the CRSA session involving partner Section 151 Officers or their representatives. The focus of the governance reviews is primarily the key risks relating to cross cutting areas that are controlled and/or impact at a corporate rather than service specific level. It also provides an annual assurance review of areas of the Council that are inherently higher risk. This work will, in some cases, enable SWAP to provide management with added assurance that they are operating best practice as we will be conducting these reviews at all out partner sites.

The Annual Plan - Continued

The Annual Plan - Continued

IT Audits – are completed to provide the Authority with assurance with regards to their compliance with industry best practice. Some of these audits have come from previous year assessments and our awareness of current IT risks. As referred to above IT system Key Control work is also undertaken in accordance with the External Auditors requirements.

Operational Audits – are detailed evaluation of 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.

Follow Up Audits – Where an audit receives a Partial or No Assurance level, SWAP are required to carry out a follow up review to provide assurance that identified weaknesses have been addressed and risks mitigated. Known follow ups from work undertaken in the 2012-13 plan have been built in. A contingency has also been built in into the plan so that, should any early reviews be awarded this level of assurance, they can be followed up in a timely manner.

Non-Opinion Reviews – are undertaken at the specific request of management, where they may have some concerns or are looking for advice on a particular subject matter. Such reviews are not normally afforded an audit opinion. At this stage time has been allocated for West Somerset Council throughout the year to provide non-opinion based support.

The Annual Plan - Continued

The Annual Plan - Continued

Audit Drivers - A key element of risk based audit planning is the relative prioritisation of audit review work. This helps to ensure that resources are targeted at the most significant aspects of the Councils operations. A brief description explaining the context behind each of these 'drivers' is as follows;

Business Change/Improvement - This recognises increased risk as a result of significant change.

Fraud - To recognise an inherent risk of fraud present in particular systems or activities of the Council.

Corporate Priorities – To recognise the importance of the area as aligned to the priorities in the Corporate Plan.

Business Critical – This provides coverage of those areas that could have a significant impact on the Council's core ability to deliver services.

Risk Register – To recognise the risk associated with this area/system as contained within the corporate risk register or service risk register.

SWAP Best Practice Reviews - These are audits which are carried out across the SWAP Partnership the outcomes of which will help to share knowledge and inform best practice and risk mitigation.

Audit History - These reviews have been prioritised as a result of the time period since the last review and or significance of previous audit findings.

Financial – This considers the value and number of transactions going through the system which creates an inherent risk.

Reputational – This recognises the embarrassment to the authority should something go wrong and become public knowledge.

Performance – This takes into account where there is known performance failure/issues known to the service, i.e. KPI failures.

Audit Plan 2013-14

APPENDIX A

Audit Title	Resource (days)	Quarter	Key Drivers									
			Business Change / Improvement	Fraud	Corporate Priorities	Business Critical	Risk Register	Best Value Review	Audit History	Financial	Reputational	Performance
Key Control												
Creditors	15	3		Y		Y				Y		
Council Tax & NNDR	15	3		Y		Y				Y		
Debtors	12	3		Y		Y				Y		
Housing Benefits	12	3		Y		Y				Y		
Main Accounting	15	3		Y		Y				Y		
Payroll	10	3		Y		Y				Y		
Capital Accounting	8	3		Y		Y				Y		
Housing Rents	12	3		Y		Y				Y		
Treasury Management	5	3		Y		Y				Y		
Governance, Fraud & Corruption												
Debt Management	15	3	Y	Y		Y	Y	Y		Y		Y
Council Tax Reduction Scheme	15	2	Y			Y	Y	Y		Y	Y	
Fighting Fraud Locally	15	2		Y				Y		Y	Y	
Home working Arrangements	15	4	Y					Y				

Audit Title	Resource (days)	Quarter	Key Drivers									
			Business Change / Improvement	Fraud	Corporate Priorities	Business Critical	Risk Register	Best Value Review	Audit History	Financial	Reputational	Performance
ICT Audits												
Disaster Recovery Arrangements	10	4				Y	Y		Y		Y	
IT Financial Controls, Inc Access (Key Financial System Audit)	15	3		Y		Y				Y	Y	
Data Centre Facilities Management	10	1				Y					Y	
System Development Life Cycle	12	1	Y									Y
Non-SAP business critical applications	15	2				Y					Y	
Operational Audits												
Car Park Contract Management	8	1	Y							Y		Y
Imprest Analysis/Cash Handling	6	4		Y						Y	Y	
Procurement Cards	12	2		Y							Y	
Taunton Deane Partnership's 'Priority Areas Strategy' (PAS) programme	12	1			Y		Y					
Health & Safety	12	4	Y				Y		Y			
Revs and Bens brought in house	8	2	Y			Y				Y		
1. Contract Audit - Spend Analysis	8	1		Y						Y	Y	Y
2. Contract Audit – Pre & Current	20	1 & 2		Y						Y	Y	Y
Community Infrastructure Levy (CIL)	5	2	Y									
Affordable Housing	15	1			Y							
Partnership Arrangements	12	4				Y			Y	Y	Y	Y

Audit Title	Resource (days)	Quarter	Key Drivers									
			Business Change / Improvement	Fraud	Corporate Priorities	Business Critical	Risk Register	Best Value Review	Audit History	Financial	Reputational	Performance
Non- Opinion Reviews												
West Somerset Council	12	1, 2, 3, 4	Y				Y				Y	
Follow-Up Audits												
Project Taunton - Follow Up	6	1							Y			Y
ICT Strategy - Follow Up	4	1				Y			Y			Y
Equality Impacts on Decisions - Follow-up	4	2							Y		Y	
Data Security Breaches Follow-up	4	2					Y		Y		Y	Y
IS Regulatory Compliance - Follow-up	4	2							Y		Y	
Business Continuity Arrangements - Follow-up	6	1				Y	Y		Y		Y	
Non Project Related												
Somerset Waste Partnership Plan Contribution	5	1, 2, 3, 4										
Follow-ups	6	3, 4										
Corporate Advice	10	1, 2, 3, 4										
Corporate Meetings	16	1, 2, 3, 4										
External Audit	4	2, 3, 4										

Appendix B

Taunton Deane Borough Council - Internal Audit Charter

Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Taunton Deane Borough Council, and to outline the scope of internal audit work.

Approval

This Charter was approved by the Corporate Governance Committee on 25th September 2006 and is reviewed each year to confirm it remains accurate and up to date. It was last reviewed by the Corporate Governance Committee on 14th March, 2011.

Provision of Internal Audit Services

The internal audit service is provided by the South West Audit Partnership (SWAP) on a 5 year contract expiring on 31 March, 2015. This charter should be read in conjunction with the Trading Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by the Council, in conjunction with the SWAP Partnership Board. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the Council, and may only be amended by unanimous agreement of the Partnership Board. The budget is based on an audit needs assessment that was carried out when determining the Council's level of contribution to SWAP. This is reviewed each year by the Strategic Director (Section 151 Officer) in consultation with the Head of Internal Audit Partnership.

Role of Internal Audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management and of Internal Audit

Management

Management is responsible for determining the scope, except where specified by statute, of internal audit work and for deciding the action to be taken on the outcome of, or findings from, their work. Management is responsible for ensuring SWAP has:

- the support of management and the Council; and

- direct access and freedom to report to senior management, including the Chief Executive and the Corporate Governance Committee.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Authority. Management is also responsible for the appropriate and effective management of risk.

Internal Audit

Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors. Internal Audit also complies with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom.

Internal audit is not responsible for any of the activities which it audits. Members of SWAP will not assume responsibility for the design, installation, operation or control of any procedures. Members of SWAP who have transferred in to the department from other areas of Taunton Deane Borough Council will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

Status of Internal Audit in the Organisation

The Head of the Internal Audit Partnership is responsible to the SWAP Management Board and the Partnership Board. The Head of Internal Audit Partnership and the Group Audit Manager also report to the Strategic Director, as Section 151 Officer, and report to the Corporate Governance Committee as set out below.

Appointment or removal of the Head of Internal Audit Partnership is the sole responsibility of the Partnership Board.

Scope and authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. Members of SWAP engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of Taunton Deane Borough Council.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management of risks;
- appraising the effectiveness and reliability of the enterprise risk management framework and recommending improvements where necessary;
- assisting management and Members to identify risks and controls with regard to the objectives of the Council and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether Taunton Deane Borough Council is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- reviewing the operations of the Council in support of the Council's anti-fraud and corruption policy.
- at the specific request of management, internal audit may provide consultancy services, provided:
 - the internal auditor's independence is not compromised
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
 - the scope of the consultancy assignment is clearly defined and management have made proper provision for resources within the annual audit plan
 - management understand that the work being undertaken is not internal audit work.

Planning and Reporting

SWAP will submit to the Corporate Governance Committee, for information, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will make recommendations on the action to be taken as a result to the appropriate manager and Director. SWAP will report at least two times a year to the Corporate Governance Committee. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the Corporate Governance Committee on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought. The detailed report will also be copied to the Strategic Director (Section 151 Officer), the Chief Executive Officer and to other relevant line management.

The Group Audit Manager will submit an annual report to the Corporate Governance Committee providing an overall opinion of the status of risk and internal control within the Council, based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Head of Internal Audit Partnership and the Group Audit Manager have the unreserved right to report directly to the Leader of the Council, The Chairman of the Corporate Governance Committee, the Chief Executive Officer or the External Audit Manager.

Revised March 2012

24/06/2013, Report:Update on Objection to Accounts re Taxi Fee's
Reporting Officers:Scott Weetch

Corporate Governance Committee – 11 March 2013

Present: Councillor D Reed (Chairman)
Councillor A Wedderkopp (Vice-Chairman)
Councillors Beaven, Coles, Denington, Govier, Hall, Horsley, Hunt,
Mrs Stock-Williams, Tooze, Mrs Warmington and Williams.

Officers: Shirlene Adam (Strategic Director), Mark Leeman (Strategy Lead),
Tonya Meers (Legal and Democratic Services Manager), Richard Sealy
(Corporate and Client Services Manager), Dan Webb (Client and
Performance Lead) Natasha Williams (Corporate Support Officer) and
Alastair Woodland (Audit Manager).

Also Present: Peter Lappin (Grant Thornton).

(The meeting commenced at 6.15 pm)

6. Apologies/Substitution

Apologies: Councillors Gaines, Miss James and R Lees.

Substitution: Councillor Horsley for Councillor Miss James.

7. Minutes

The minutes of the meeting held on 4 February 2013 were taken as read and were signed.

8. Grant Claims Report 2011/2012

Considered covering report previously circulated, which presented the External Auditors findings from their 2011/2012 review work.

Grant Thornton and the Audit Commission had certified four claims and returns for the financial year, relating to expenditure of £82 million.

The Certification of Claims and Returns report highlighted several areas where improvements could be made and the action plan reflected this.

It was reported that the number of claims that required certification had reduced. The Housing Revenue Account self-financing had meant that the base data return for the housing stock was no longer required and the Department for Communities and Local Government no longer required the audit certification of disabled facilities grants. Also, the Council had fewer claims amended in 2011/2012 than in 2012/2011.

The validation check report was discussed and it was recommended that future validation programme “bug” checks would be run before the claim was prepared.

Members discussed the difference in fees between 2010/2011 and 2011/2012. It was explained that the fee varied from year to year depending on the complexity of the cases sampled. Additional time had been spent on the qualification letter. With the validation “bug” report not being run before the preparation of the claim meant that the results had to be followed up.

Peter Lappin (Grant Thornton) thanked the officers of Taunton Deane Borough Council for their work.

Resolved that the Certification of Claims and Returns report be noted.

9. Update on Health and Safety

Richard Sealy (Corporate and Client Services Manager) updated Members on the progress of a range of Health and Safety matters across the organisation, which included:-

- The situation with regard to the vacant Health and Safety Advisor position;
- The arrangements for the Health and Safety Committee;
- The progress being made on re-establishing Joint Health and Safety Inspections;
- Discussions with UNISON on the introduction of the ‘Fair and Just Culture’;
- The current position with regard to the consolidation and compliance audit;
- The South West Audit Partnership (SWAP) Audit on Health and Safety;
- Accident and Incident Data for the period 1 April 2012 to 31 January 2013; and
- General Health and Safety Issues.

Health and Safety refresher training for Leads/Managers was scheduled for March and April 2013.

Members discussed the importance of Health and Safety and the findings of the audit review. Partial assurance was given in relation to the areas reviewed.

It was intended for relevant service managers to provide an update at future Corporate Governance Committee meetings if a partial assurance had been achieved.

Mr Sealy advised that there were no significant risks or incidents to report.

Members thanked Mr Sealy for providing cover over the past few months and the good progress achieved since the retirement of the Health and Safety Advisor.

Resolved that the progress made on the delivery of the strategy and the initiatives to improve the Council’s operating culture be noted.

10. TDBC Response to the Equality Act

As part of the 2012/2013 Audit Plan, a review had been undertaken to assess the adequacy of the controls and procedures in place for Equality and Diversity - Equalities Analysis Integration across the Authority. Although good progress had been made against three Corporate Equality Objectives, the SWAP had identified significant inconsistencies and high inherent risks against the four key issues identified.

In response to the findings, a Corporate Equality Action Plan (CEAP) had been prepared which would be implemented during 2013/2014. CMT would further consider the CEAP on 4 March 2013.

Progress against the CEAP would be monitored and reported upon twice a year with findings circulated to Members.

Members of the Corporate Governance Committee discussed the need for an interim update every quarter as well as the availability of equalities training for Members.

Resolved that the:-

- Performance against requirements and targets be noted; and
- The proposed response in the form of the Corporate Equalities Action Plan (Appendix 3) be considered.

10. Risk Management

Considered report previously circulated, updating Members on the current position of Risk Management. This was the process by which risks were identified, evaluated and controlled and was one of the key elements of the Corporate Governance Framework.

The Corporate Management Team (CMT) had recently undertaken a review of the Corporate Risk Register. A Summary Risk Profile and list of 17 risks was included in the report.

A Risk Management Action Plan was also included in the report which outlined the key areas of focus to further improve and embed Risk Management during 2013.

Mr Webb (Client and Performance Lead) updated Members of the perceived risks. It was advised that the new West Somerset Joint Partnership project would be included in future risk profiles. Members discussed the importance that this project be included.

Members discussed the following risks:-

- Growth;
- Regeneration of Taunton Town Centre & retail scheme;
- Health and Safety; and
- Gypsies and Travellers.

Resolved that the:-

- Progress with the Corporate Risk Management be noted;
- The Corporate Risk Register review be discussed;
- The Risk management Action Plan be approved; and
- The new Taunton Deane Borough Council and West Somerset Joint Partnership project be included on the Corporate Risk Register.

10. Internal Audit Plan Progress 2012-2013

Considered report previously circulated which summarised the work of the Councils internal Audit Service and provided:

- Details of any new significant weaknesses identified during internal audit work completed since the last report to the Committee in September; and
- A schedule of audits completed during the period, detailing their respective assurance opinion rating, the number of recommendations and the respective priority ranking of these.

Members noted that where a partial assurance had been awarded, Internal Audit would follow up on the agreed management responses to provide assurance that risk exposure had been reduced.

Members were advised that the review of the Acolaid System was now at report stage. Also one further change had been made to the Internal Audit Plan with the System Development Life Cycle deferred to quarter 1 of the 2013/2014 plan.

The reported showed that there were a total of 39 reviews covering the 2013/2014 plan. 31 were at a report status and 8 were in progress.

All audit field work should be materially completed by the end of March 2013 to ensure 100% delivery of the Internal Audit Plan.

Resolved that the:-

- Progress made in the delivery of the 2012/2013 Internal Audit Plan be noted.

11. Internal Audit Plan 2013/2014

Submitted for consideration the Internal Audit Plan 2013/2014.

The Internal Audit Plan was a flexible plan that could be amended during the year to deal with shifts in priorities.

Members were advised that if the South West Audit Partnership (SWAP) continued to move forward to become a Company Limited by Guarantee, it would result in

changes to roles and responsibilities within the Partnership. In addition, the Public Sector Internal Audit Standards (PSIAS) would become mandatory, effective from 1 April 2013. These changes would have an impact on the Internal Audit Charter which was last reviewed by the Corporate Governance Committee on 12 March 2012. Therefore it was proposed that the review of the Charter be deferred until April 2013.

Resolved that the:-

- Internal Audit Plan for 2013/2014 be approved; and
- The Internal Audit Charter review be deferred until after April 2013.

12. Forward Plan

Submitted for information the proposed Forward Plan of the Corporate Governance Committee.

Members discussed the need for quarterly updates with regard all reviews that received a partial assurance. Shirlene Adam advised that the reviews would be incorporated into future Forward Plans.

Resolved that the Corporate Governance Committee Forward plan be noted.

(The meeting ended at 7.52pm).