

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).