

Corporate Governance Committee – 20 June 2017

Present: Councillor Sully (Chairman)
Councillor Hall, Hunt, Nicholls, Ryan, Mrs Smith-Roberts, Mrs Tucker,
Wedderkopp.

Officers: Paul Fitzgerald (Assistant Director - Resources), Alistair Woodland (Assistant Director – South West Audit Partnership), Richard Doyle (Corporate Strategy and Performance Officer) Catrin Brown (Health and Safety Manager) Rebecca Usher (Audit Manager – Grant Thornton) and Tracey Meadows (Democratic Services Officer).

(The meeting commenced at 6.15 pm)

1. Appointment of Chairman

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

2. Appointment of Vice-Chairman

Resolved that Councillor Mrs Stock-Williams be appointed Vice-Chairman of the Community Scrutiny Committee for the remainder of the Municipal Year.

3. Apologies

Apologies: Councillor Horsley and Mrs Reed.
Substitution: Councillor Wedderkopp for Horsley.

4. Minutes

The Minutes of the meetings of the Corporate Scrutiny Committee held on 20 March 2017 were taken as read and were signed.

5. Declaration of Interests

Councillor Hunt declared personal interests as a Member of Somerset County Council, Exmoor National Park Authority Member, Devon & Somerset Fire & Rescue Authority Member and Tacchi Morris Management Committee Member.

6. Update on Health and Safety Performance

Considered report previously circulated, which updated the committee on the Health and Safety Performance

Considered report previously circulated, concerning an update on the progress of a range of Health and Safety matters across the organisation. These included:-

- Accident and Incident Data for the period;
- Monitoring Health and Safety Performance;
- Report on actions agreed by Health and Safety Committee;
- Policy updates; and

- Key activities of the Health and Safety Advisor.

During the consideration of this item no points were made

- Changes to the colour schemes on the graphs were requested in future reports.
- Benchmarks had been created to improve the reporting methods
- Increases of reports in specific areas were to be reported in the next update.
- Details around prevention of accidents were discussed, improvements to procedures and training were set out.
- Manual handling training was revisited depending on the work area, some annual refreshers were given. E-learning programmes or toolbox talks were provided.
- The Asbestos working group was made up of members of Asset and Property management and DLO operatives. A Consultant asbestos specialist attended these meetings.
- DLO asbestos team managed working arrangements for DLO operatives. A contract manager who manages the arrangements around heating and renewal contracts.
- Data collection is part of this function in collecting asbestos surveys from corporate stock along with housing stock, this can be accessed by DLO planners so that they access information relating to individual properties.

Resolved that the report be noted.

7. External Audit Fees 2017/18.

Members considered the letter previously circulated, concerning the details of the fee forecast for external audit services in 2017/18.

Each year the external auditors, Grant Thornton, provided details of the forecast fees to be charged for the main audit and the grant certification work relating to the current year.

The attached letter provided details of the fees and the schedule of payments. Grant Thornton had also provided an outline audit timetable to show the phasing of their work. Any additional audit work, outside of the planned audit and grant certification work will be billed separately and will be an addition to the fee quoted.

The main audit fee was £50,629 (the same as 2016/17). This did not include the fee for the grant certification work which was still to be set. The fee for this last year was £7,793.

Following the presentation of this item, no points were made.

Resolved that the report be noted.

8. External Audit (Grant Thornton) Update Report.

Considered report previously circulated, which set out the External Audit Update Report.

Members considered the report previously circulated, providing a regular update report for Members by our external auditors, Grant Thornton. Specifically the report provided an update in relation to their work for the 2016/17 financial year and also provided an update in relation to emerging national issues.

The report updated Members on the status, progress and completed work in relation to the auditor's planned schedule of work, year ending 31 March 2017. The Auditors had completed risk assessments in the prescribed audit work areas. If any risks came out of the assessment process, the Auditor's would look into those risks and the area in further detail.

In addition, this report updated Members on any national headlines and issues that might have an impact upon the Council.

Following the presentation of this item, no points were made.

Resolved that the report be noted.

9. SWAP Internal Audit – Internal Audit Plan 2016/17 Outturn.

Considered report previously circulated, concerning SWAP Internal Audit – Internal Audit Plan 2016/17 Outturn:-

Members considered the report previously circulated, concerning the work of the Council's 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 March 2017 as well as a schedule of audits completed during the period, detailing their respective assurance opinion rating, the number of recommendations and the respective priority rankings.

A copy of the Internal Audit Progress Report for 2016/17 was attached as an appendix with the covering report.

The 2016-17 Annual Audit Plan was intended to provide independent and objective assurance on TDBC's Internal Control Environment and this work would support the Annual Governance Statement.

During the discussion of this item the following points were made:-

- The high number of duplicate invoices was questioned, purchase order numbers would be generated for all purchases.
- Assurances were sought for a process to be put in place to resolve the issues around this.
- Members had access to recommendations of each past assurance audit.
- An Interim audit report would e-mailed to the committee detailing progress.
- Crematorium audit controls were discussed. It was considered if there were other areas of the business that need to be looked at?
- An annual debtors audit was conducted looking at income arrangements across the authority in all services. Requests could be made on specific service areas.
- The senior officer for debt recovery had been asked to conduct a follow up review of income processes across all services.

- All outstanding debt had been recovered from the Crematorium.
- The replacement system (E5) for SAP had been implemented, billing processes for income streams would be looked at as the next piece of work.
- Some different service areas use alternative systems. Not all income comes through the same system, the interfaces could come through E5 as a future option.

Resolved that the Internal Audit Plan and Charter be noted.

10. SWAP Internal Audit – Internal Annual Opinion Report 2016/17

Members considered the report previously circulated, concerning the Internal Annual Opinion Report 2016/17.

Members considered the report previously concerning the Internal Audit Opinion for 2016/17.

The report summarised the work of the Council's Internal Audit Service and provides:

- For the 2016-17 audit plan for the Council contained a total of 27 reviews to be delivered.
- A detailed summary of the key risks that were identified during the 2016-17 financial year were set out.
- 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.

A copy of the Internal Audit Opinion was attached as an appendix with the covering report.

During the discussion of this item the following points were made:-

- The audit plan was approved in March, a number of days were allocated to each audit. All service managers were aware when reviews were undertaken and the timetable.
- One of the risks identified in relation to the crematorium service was a loss of income.
- The length of an audit depended on officer availability and target dates in the agreement.
- The Risk of the formation of the new Council was outlined, understanding the risks that are faced along with risk management gave managers the ability to understand risks fully.
- In discussion of the SWAP performance and benchmarking of KPI's, the target of draft reports were to be submitted within 5 days and final reports within 10 days of the draft report.
- It was recognised that there is some scope for improvement in meeting the performance targets.
- The performance targets were being considered to determine if these are fair and could be achieved.

- SWAP would continue to review this and report on a timely basis following audits.
- Staff and managers do had competing priorities in relation to performance timescales.

Resolved that the report be noted.

11. Review of Effectiveness of Internal Audit

Considered report previously circulated, concerning the Review of Effectiveness of Internal Audit.

Members considered the report previously circulated, which set out to inform the Corporate Governance Committee of the recent review of the effectiveness of the delivery of Internal Audit through SWAP (South West Audit Partnership) during 2017/18.

The Councils' review of Internal Audit had been carried out by the Director of Operations (the Council's S151 Officer) and the findings had been reported as part of the overall evaluation and would also provide supporting evidence for the Annual Governance Statement.

Included within the report was a table of information detailing some of the overall performance of the service during the year compared to the previous three years.

For example the percentage of Audits and Reviews completed within a year compared to the plan in 2012/13 – 87%, 2013/14 – 89%, 2014/15 – 75% and 2015/16 – 62% 2016/17 – 89% (end of March).

Contained within the officers' report were the details of agreed Action Plan for the remaining planned Audits and the status of those audits as well as an update against them, which had yet to be completed from 2016/17 and progress from the planned audits from 2017/18.

During the discussion of this item the following points were made:-

- The improvement of figures when compared with the previous year in relation to SWAP performance figures were commended.
- SWAP were thanked for the work undertaken with progressing with the audit programme.

Resolved that the report be noted.

10. Draft Annual Governance Statement 2016/17

Considered report previously circulated, considering the Draft Annual Governance Statement 2016/17.

Members considered the report previously circulated, concerning the Councils' review of effectiveness of its systems of internal control and governance arrangements and to produce an Annual Governance Statement (AGS) on behalf of

the Leader of the Council and the Chief Executive, providing an assessment of these arrangements.

The Council had a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in, which its functions were exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council was responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and the management of risk.

The Council had approved and adopted a Code of Corporate Governance, which was consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework "Delivering Good Governance in Local Government".

The Annual Governance Statement explained how the Council had complied with the code and also meet the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2011 in relation to the requirement to prepare an annual governance statement which must accompany the Statement of Accounts.

The Corporate Governance Officers Group had led the 2016/17 review of the governance framework. The group included the Monitoring Officer (Assistant Chief Executive), the deputy s151 Officer the internal Audit Manager, the Assistant Director Corporate Services and the Corporate Strategy & Performance Manager

The Corporate Governance Officers Group led the 2016/17 review of the governance framework. The group includes the Monitoring Officer (Assistant Chief Executive), the deputy s151 Officer the internal Audit Manager, the Assistant Director Corporate Services and the Corporate Strategy & Performance Manager. The conclusions from this review were that overall the Council's governance framework is reasonable and fit for purpose.

The AGS described how the council complied with each of the six core principles of the Code of Corporate Governance, and additionally identifies governance issues identified and the steps to be taken during to address these matters

A copy of the draft Annual Governance Statement was attached as an appendix with the covering report.

Following the presentation of this item, no points were made.

Resolved that the Corporate Governance Committee recommend the adoption of the Draft Governance Statement by The Leader of the Council and Chief Executive.

11. Corporate Governance Committee 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 7.20pm).