

## **Corporate Governance Committee – 24 September 2012**

Present: Councillor D Reed (Chairman)  
Councillor A Wedderkopp (Vice-Chairman)  
Councillors Beaven, Denington, Gaines, Hall, Henley, Hunt, Miss James, Ms Lisgo, Prior-Sankey, Gill Slattery and Mrs Stock-Williams.

Officers: Shirlene Adam (Strategic Director), Paul Fitzgerald (Financial 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: Gerry Cox (Head of SWAP), Mr P Lappin (Audit Commission) and Steve Malyn (District Auditor).

(The meeting commenced at 6.15 pm)

### **15. Apologies/Substitutions**

Apologies: Councillors Coles, Govier, R Lees and Tooze.

Substitutions: Councillor Lisgo for Councillor Coles;  
Councillor Prior-Sankey for Councillor Tooze;  
Councillor Mrs Slattery for Councillor R Lees.

### **16. Minutes**

The minutes of the meeting held on 25 June 2012 were taken as read and were signed.

### **17. Public Question Time**

Adrian Prior-Sankey (Vice Chairman of Taunton Flower Show) requested clarification regarding the statistics printed in the Statement of Accounts with regard to Taunton Flower Show. He advised that the figures could be incorrectly interpreted by the public. It was agreed that a more detailed note needed to be included in future accounts.

### **18. Declaration of Interests**

Councillor Mrs Prior-Sankey declared a personal interest as a member of Taunton Flower Show.

### **19. South West Audit Partnership (SWAP) Governance Review Update**

Mr Cox (Head of SWAP) gave a brief presentation regarding the future of SWAP Governance. Members were informed of the current arrangements the reasons for change and also what the changes would entail.

Mr Cox outlined the following timetable for the proposed changes:-

- Members Workshop – 10 October 2012
- Partnership Board – 8 January 2013
- Formal TUPE consultation – January – March 2013
- Individual Partner approval - January – March 2013
- Current partnership dissolved – 31 March 2013
- SWAP becomes a company – 1 April 2013.

Mr Cox also advised Members of the following:-

- No disruption to the service would be received;
- Provided that all signed up, there would be no reduction in available resources;
- Fees to partners would remain as previously agreed and that there would be no increases and
- The transition would be seamless.

The Chairman thanked Gerry Cox for his work and attending the Corporate Governance Committee meeting.

## **20. Audit Commission Annual Governance Report 2011/2012**

Considered covering report previously circulated, which introduced the Annual Governance report for 2011/2012, prepared by external auditors the Audit Commission.

Although the Council had received an unqualified opinion on the 2011/2012 accounts, there had been several issues that had emerged from the audit process that would help the Council improve its procedures for future years.

Stephen MayIn from the Audit Commission highlighted key areas of the Annual Governance report for the Council. These included:

- Financial Statements;
- Fees and
- Value for Money.

The action plan and all recommendations had been agreed and timescales approved.

### **Resolved that the:**

- Matters raised in the report be considered further;
- Action plan as set out in Appendix 4 of the Audit Commission report be noted; and
- Letter of representation on behalf of the Council, as set out in Appendix A to the covering report, be approved.

## **21. Approval of the Statement of Accounts for 2011/2012**

Considered covering report and full 117 page Statement of Accounts previously circulated.

The Accounts and Audit Regulations 2011 required the Statement of Accounts to be approved by a resolution of a nominated committee, following completion of the external audit. The Council had devolved this responsibility to the Corporate Governance Committee. The annual accounts had to be signed by the Council's S151 Officer and the Chairman of the Committee.

The Audit Commission had reviewed the draft Statement of Accounts for 2011/2012 and accompanying working papers. The Council's resulting final Statement of Accounts had been audited by the Audit Commission and they had issued an unqualified opinion.

The Statement of Accounts contained four main statements reflecting the position of the Council at 31 March 2012

- Movement in Reserves Statement;
- Comprehensive Income and Expenditure Statement;
- Balance Sheet; and
- Cash Flow Statement.

There were also supplementary statements related to the Collection Fund and the Housing Revenue Account.

Members discussed the Movement in Reserves and Balance Sheet.

Questions were asked and comments made which related to:-

- HRA finance borrowing
- Council housing stock and Right to Buy;
- Accuracy of the accounts; and
- Pensions.

The Financial Services Manager advised that a significant audit analysis and review had taken place.

The Strategic Director advised that the accounts were accurate and that improvements would be made in describing the present situation.

**Resolved that the:-**

- Auditors unqualified opinion on the Statement of Accounts be noted; and
- Statement of Accounts for 2011/2012, as attached to the report, be approved and signed.

## **22. Internal Audit Plan Progress 2012/2013**

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

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

A list of all audits planned for 2012-13 and their status as at 10 September 2012 were detailed in Appendix A. There were a total of twenty reviews planned for quarters one and two. An additional two reviews had been added at the request of the Section 151 Officer in relation to Project Taunton transactions and a review of the Acolaid System.

Some high priority recommendations had been identified since the June 2012 update. These would be followed-up by Internal Audit to provide assurance that risk exposure had been reduced.

**Resolved** that the report be noted.

## **23. 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) was in the process of undertaking the scheduled six-monthly review of the Corporate Risk Register. A Summary Risk Profile and list of 22 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 2012/2013.

Members were advised that Item no. 11 on the Action Plan had now been removed.

Members discussed the risk of the ageing ICT infrastructure within Taunton Deane. It was hoped that this risk would no longer exist in future years with the installation of new servers.

Members agreed that the risk of flooding needed to be more specific.

**Resolved that the:-**

- Progress with Corporate Risk Management be noted; and
- Risk Management Action Plan be approved.

## **24. Update on the Health and Safety Strategy for 2012 – 13**

The consolidation and compliance audit had started with interviews and audit planning sessions with the Directors and Theme managers. The audit process was supported and monitored by the South West Audit Partnership (SWAP), who was commented on the strengths and weaknesses of this approach. Even at this early stage, the initial response indicated that the objectives of the audit would be met and line managers and employees would have access to a sustainable monitoring process.

By the end of the next quarter there should be sufficient data to populate the three Key Performance Indicators:

- Management competency and legal compliance;
- H&S Management System and implementation; and
- Accident, incident data and lessons implemented.

In addition to and including the above, the management of Health and Safety had been further strengthened by the creation of an 'H&S Priorities Plan' which set out the corporate need and details as to what SW One were required to deliver.

The additional issues were:-

- H&S Competency Framework;
- Information and support to the Corporate Governance Committee; and
- Implementation of the SAP injury/accident reporting module.

Members agreed that future updates on Health and Safety should be the first item on the agenda.

Members thanked David Woodbury (Corporate Health and Safety Advisor) for a comprehensive report.

**Resolved** to note:

- the progress on the delivery of the strategy;
- the initiatives to improve our operating culture; and
- that there were no new significant risks or incidents.

## **25. 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 8.34pm).

