

Corporate Governance Committee – 5 April 2007

Present: Councillor Williams (Chairman)
Councillors Denington, Hall, Meikle, Mrs Smith and Wedderkopp

Officers: Ms S Adam (Strategic Director)
Mr P Carter (Financial Services Manager)
Mrs G Croucher (Democratic Services Officer)
Mr C Gunn (Internal Audit Manager)
Mrs K Hughes (Leisure Development Manager)
Mr S Lewis (Scrutiny and Performance Manager)
Mr I Taylor (Chief Solicitor)
Mrs L Webb (Housing Enabling Manager)

(The meeting commenced at 6.20 p.m.)

1. Apologies

Apologies were received from Councillors Beaven, Lisgo, Prior-Sankey and Mrs Whitmarsh.

2. Minutes

The minutes of the meeting held on 18 December 2006 were taken as read and were signed.

3. Standards Committee Annual Report 2005/2006

Mr David Baker, Chairman of the Standards Committee, presented the Annual Report of the Standards Committee for 2005/2006. The Committee had been in operation since 2000. Membership was made up of a majority of independent members who were not connected with the Council, together with two Parish Council representatives and one Councillor from each of the political groups represented on the Council.

The Standards Committee was responsible for:-

- Promoting and maintaining high standards of conduct by the Members and co-opted Members of the Authority;
- Assisting Members to observe the Code of Conduct;
- Advising on the adoption of a Code of Conduct;
- Monitoring its operation; and
- Advising, training or arranging to train Members on matters relating to the code.

Reported that additional resources were needed to enable the Standards Committee to better function and that its profile should be raised. It was also considered that the Committee should be more proactive in its monitoring and advice role. Public awareness of the Committee and its work needed to be increased so that Councillors, Parish Councils and the public were aware of the work being undertaken to develop, promote and maintain high standards of conduct across Local Government.

Members had been updated on ethical standards issues and their attention had been drawn to planned changes to the Code of Conduct.

Mr Baker gave a review of the past year that included:-

- The first local hearing to consider an allegation against a former Parish Councillor. The Committee concluded that there had been a breach of the Code of Conduct and suitable action had been taken;
- A meeting with political group leaders of the Council to discuss in particular the forthcoming changes in legislation and the proposal that local Standards Committees would have greater responsibility for appeal hearings;
- Group leaders were informed of the Committee's view that sufficient funding would need to be made available to ensure no delays occurred when hearings were heard locally;
- Group leaders would encourage all its members to attend ethics and probity training/briefings;
- The Monitoring Officer had agreed that a review of the Employees Register of Interests would be undertaken;
- The Council's Hospitality Registers and the Register of Interests would be made available for regular inspection by the Committee;
- Independent members would continue to attend the South West Independent Members Forum to hear from officers of the Standards Board and share good practice;
- The Monitoring Officer would continue to provide regular briefings on ethics and probity issues.

The Parish Liaison Officer continued to make Parish Councils aware of their responsibilities with regard to ethics and probity and would periodically report back to the Committee.

It was necessary to build monitoring into Parish Council meetings and it was felt that the Committee should do more to fulfil its statutory role in relation to Parish Councils. As Parish Council elections would be taking place in 2007

there would be a need for formal training sessions for the new Parish Councillors.

Members of the Standards Committee agreed to visit and observe meetings of Parish Councils from time to time. Independent members of the Committee would also present a small road show explaining the work of the Committee during an information evening with Parish Councils.

A new Government paper had been produced on the development of the conduct regime for Local Government. It was anticipated that the Standards Board for England would move towards the provision, maintenance and monitoring of a national framework to ensure high standards locally, rather than investigating cases.

This would result in the need to strengthen local Standard Committees and provide sufficient capacity for Monitoring Officers to undertake investigations. Even though this would take some time to complete, the Standards Board for England intended to continue referring an increasing number of cases for local investigation and determination.

A new Code of Conduct was also being developed that would change the existing rules relating to personal and prejudicial interests. The Standards Committee had welcomed the changes but acknowledged that further resources would be necessary if investigations were to be undertaken locally.

The Chairman thanked Mr Baker for his report.

RESOLVED that the report be noted.

4. Section 106 Agreements

Reference Minute No 19/2006, considered report previously circulated, that gave full details of the level of Section 106 Agreements held by the Council and also an indication of those that were due in the foreseeable future.

The Council currently held £822,000 in Section 106 monies with a further £1,709,000 due from future agreements. These monies had to be used for the following:-

Use	Amount Already Held £000	Amount expected from Future S106 agreements £000	Total £000
Sport	388	707	1,095
Recreation	302	395	697
Affordable Housing	132	607	739
Total	822	1,709	2,531

Reported that a Section 106 Strategy was being developed to ensure the opportunities available were maximised. It was hoped, in due course, to employ an officer to deal solely with Section 106 Agreements and to ensure there was co-ordination between the sections of the Council who currently dealt with these agreements.

RESOLVED that the report be noted.

5. Review of Asset Management Arrangements

Considered report previously circulated, which detailed changes that had recently been made to Asset Management practices following comments made in the previous Annual Governance Report by the Council's external auditor.

Details were submitted that showed the improvements made to asset management practices that had previously been identified as weak.

RESOLVED that the report be noted.

6. Update on Corporate Improvement Plan

Considered report previously circulated, concerning the 2006/2007 Corporate Improvement Plan. The progress made against key improvement areas for the Council and "Use of Resources weaknesses", which had both been identified through Audit Commission inspections, were highlighted.

The Audit Commission undertook an annual assessment of the Council and examined the overall performance, progress against Corporate Aims and accounts and governance arrangements. These findings were reported in an Annual Audit and Inspection Letter.

In March 2006 the Annual Audit and Inspection Letter gave a score of 3 out of 4 for Use of Resources. As part of the Performance Management Framework the assessment was used to identify weaknesses and formulate a Corporate Improvement Plan that also incorporated the Statement of Internal Control Action Plan.

The Improvement Plan identified nine Key Council Improvement Areas, five of which no longer appeared in the 2007 Annual Audit Inspection Letter.

Under "Use of Resources" 29 areas had been identified for improvement, seven of which were no longer considered a weakness by the Audit Commission and a further nine areas from the Statement of Internal Control.

The recently published Annual Audit and Inspection Letter for 2007 had again given a score of 3 out of 4. Further areas for improvement had also been identified as follows:-

- Monitoring general fund expenditure closely to agree timely and effective action for any overspends;

- Reviewing working balances in the Housing Revenue Account, taking account of key financial risks;
- Ensuring clarity and communication of high level efficiency gains and workforce implications of large scale transformation projects;
- Reviewing systems for producing performance indicators, especially key indicators; and
- Providing and enabling the development of more affordable housing.

The Audit Commission was happy that some of the Use of Resources weaknesses had been addressed but had now introduced additional criteria to focus on for 2007/2008.

RESOLVED that the report be noted.

7. Internal Audit Plan 2006/2007 – Progress Review

Considered report previously circulated, which provided an update on the progress made against agreed audit recommendations from 2006/2007. The report also detailed the management responses to Internal Audit findings and the implementation of recommendations for audits completed during the 2005/2006 financial year.

Reported that the 22 audit reviews completed during 2005/2006 had resulted in 177 recommendations being made. Although follow up visits had yet to be completed for all of these audit areas, summary details of progress against the recommendations was submitted.

Details were also reported of the audits completed for the period between January and March 2007 which included any significant findings or recommendations.

RESOLVED that the report be noted.

8. Internal Audit Plan 2007/2008

Considered report previously circulated, concerning the 2007/2008 Audit Plan. The Plan would enable Internal Audit Services to continue to meet the emerging needs of the Council.

The Annual Audit Plan had been drawn up to reflect the wide range of work undertaken by the Internal Audit Section that included:-

- Audit of the Council's main financial systems;
- Audit of services;

- Advice on Corporate Management issues;
- A programme of special contract, computer audits and Value for Money studies;
- Special investigations to meet management requirements; and
- Provision of advice to managers on financial and control issues.

The Annual Audit Plan consisted of Managed Audits and Operational Audits. Managed Audits were completed to assist the assessment of the Council's financial control environment and eight audits would be completed this year. Operational Audits provided a detailed evaluation of a services control environment with 15 reviews to be completed this year.

RESOLVED that the 2007/2008 Annual Audit Plan be approved.

(The meeting ended at 7.50 p.m.)