

Present: Councillor Williams (Chairman)  
Councillor A Wedderkopp (Vice-Chairman)  
Councillors Beaven, Denington, Farbahi, Govier, Hall, Mrs Smith and  
Mrs Whitmarsh

Officers: Ms S Adam (Strategic Director)  
Mrs G Croucher (Democratic Services Officer)  
Mr C Gunn (Group Auditor, South West Audit Partnership)  
Ms M Hale (Corporate Performance Officer)  
Mr S Jewell (Audit Assistant, South West Audit Partnership)

Also Present Mr D Baker (Chairman, Standards Committee)  
Mr B Wilson (Independent Member, Standards Committee)  
Mr T Bowditch (Audit Commission)

**1. Apologies/Substitution**

Apologies: Councillors Critchard and Paul.

Substitution: Councillor Farbahi for Councillor Critchard.

**2. Minutes**

The minutes of the meeting held on 17 December 2007 were taken as read and were signed.

**3. Standards Committee Annual Report 2007**

Mr David Baker, Chairman of the Standards Committee, presented the Annual Report of the Standards Committee for 2007.

The Committee had been in operation since 2000 and 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 on the Council. The Chairman was chosen from the independent members and this was now a requirement for all Standards Committees.

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.

New legislation had introduced a locally managed framework of compliance with the Code of Conduct and a new strategic role for the Standards Board for England. Local Standards Committees would, in future, be responsible for making initial assessments of allegations of misconduct and would handle most cases locally. The Standards Board for England would provide support, supervision and guidance and aimed to ensure a degree of consistency.

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

The strengthening of links with Parish Councils;

Members of the Committee had been represented at the Annual Assembly of Standards Committees and the Standards Board for England Roadshows;

Taunton Deane had hosted a South West Independent Members Group and joint training with Sedgemoor District Council had taken place on the operation of a new filtering regime;

Members of the Standards Committee had attended meetings of the Council;

The Chairman had met with the new Leader of the Council and had emphasised the value of the Committee and its work;

The Monitoring Officer would continue to provide regular briefings on ethics and probity issues;

The introduction of a new Model Code of Local Government Conduct that had been adopted; and

The inclusion of ethics and probity in the guide for prospective candidates at the last local elections in 2007.

A number of training sessions had also taken place with Parish Councils on the new Code of Conduct. The Code had now been adopted by all Parish Councils. A successful training session had also taken place for Borough Councillors which the Committee felt should be repeated annually in order to keep Councillors well informed.

The Chairman thanked Mr Baker for his very informative report.

**Resolved** that the report be noted.

#### **4. Annual Audit and Inspection Letter**

Mr Terry Bowditch, Audit Manager, the Audit Commission (AC) introduced Taunton Deane Borough Council's Annual Audit and Inspection Letter.

The report set out an overall summary of the AC's assessment of the Council. Its finding and conclusions had been drawn from the 2006/2007 audit and from any further inspections and included a report on the Direction of Travel and Use of Resources scores.

The report identified that challenges had been overcome that included opposing Somerset County Council's plan to form a unitary council, new political leadership following the local elections, the forming of new partnerships and regeneration projects. Meeting these challenges had a significant impact on the capacity of the Council and performance in a number of key areas had deteriorated.

However, some services had shown signs of recovery and the restructure of the Council would ensure its services and partnerships would make a positive impact on all its communities. Governance and organisational arrangements were being developed to reflect the impact of new partnerships.

The Council had been given an unqualified opinion on its accounts for 2006/2007 and the value for money arrangements were adequate.

The 2006/2007 Use of Resources continued to meet or exceed the minimum requirements in all respects, although the rate of improvement had slowed or, in some areas, stalled.

The concessionary travel scheme continued to place extreme pressures on the Council's budget and working balances with an actual net overspend against budget forecast for the current year.

The new financial systems introduced during 2006/2007 had had significant control weaknesses but these had now been addressed.

The review of internal audit met all the key requirements of the Code of Practice for internal audit.

The key actions necessary by the Council in response to the issues raised were also reported.

**Resolved** that the report be noted.

## **5. The Constitution**

Considered report previously circulated, giving details of the progress made in updating the Constitution and the arrangements made for its approval.

A Members' Steering Group had been set up to enable a full review of the Constitution to take place. A review of financial regulations had also taken place and these reviews would be brought before the meeting of the Council for approval.

There were, however, two further areas of the Constitution to be reviewed. The Council had yet to decide on the future of the scrutiny pilot and the changes in the Local Government Act 2007 would need to be reflected.

There was also a need to delegate the role of overview and revision of the Constitution to the Corporate Governance Committee. A new Legal and Democratic Services Manager had been appointed from 31 March 2008 who would have responsibility as Monitoring Officer.

**Resolved that:-**

- 1) Council be recommended to:-
  - a) delegate the role of overview and revision to the Constitution to the Corporate Governance Committee;
  - b) delegate the powers to approve revisions to the Corporate Governance Committee and the Monitoring Officer; and
  - c) to adopt the attached Financial Regulations;
- 2) That a standing sub-committee of the Corporate Governance Committee (consisting of one representative from each of the political groups on the Council) be established to work with the Monitoring Officer to carry out regular reviews of the Constitution; and
- 3) That the powers delegated to the Monitoring Officer, Chief Solicitor and Member Services Manager referred to in the Constitution be re-delegated to the Monitoring Officer.

## **6. Governance Code**

Considered report previously circulated, giving Members an update on the Council's Governance Code.

The Code set out six core principles and outlined the approach and actions the Council was committed to take to achieve them. It also highlighted the areas where the Council would focus in an action plan to be regularly updated.

The Code would form the basis of the Annual Governance Statement. This was a comprehensive statement that covered all significant corporate systems, processes and controls. The preparation of the Statement would need to be open, honest and credible and linked to an embedded assurance framework and would be the end product of an annual review process.

**Resolved that:-**

1. Council be recommended to adopt the Code of Governance;

2. The Corporate Governance Committee be authorised to agree the future Annual Governance Statements; and
3. The Council's effectiveness against the Code be regularly monitored.

## **7. Risk Management**

In 2007 the Council adopted the Risk Management Strategy, Policy and Procedures. There had been a number of changes to the Corporate Strategy and a new register of Corporate Risks was currently being compiled and would form the basis for the action plans necessary to moderate those risks.

An update would be provided at a future meeting.

**Resolved** that the report be noted.

## **8. Internal Audit Plan 2008/2009**

Considered report previously circulated, concerning the 2008/2009 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 Management issues;
- A programme of special contracts, 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 14 reviews to be completed this year.

**Resolved** that the 2008/2009 Annual Audit Plan be approved.

## **9. Internal Audit Plan 2007/2008 – Progress Review**

Considered report previously circulated, which provided an update on the significant findings and recommendations since December 2007.

Details were also reported of the audits completed for the period between December 2007 and March 2008 which included any significant findings or recommendations.

**Resolved** that the report be noted.

#### **10. Update on Corporate Improvement Plan**

Considered report previously circulated, concerning the 2007/2008 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 to review the Use of Resources. The assessment focused on the importance of having sound and strategic financial management to ensure that resources were available to support the Council's priorities and improve services.

The inspection also covered the "Direction of Travel" and examined the overall performance, progress against Corporate Aims and accounts and governance arrangements. These findings were reported in the Annual Audit and Inspection Letter.

In December 2007 the Annual Audit and Inspection Letter gave the Council a score of 3 out of 4 for Use of Resources. This was the same breakdown and score received in March 2007 and ranked the Council amongst the top four in the South West. As part of the Performance Management Framework the assessment was used to identify weaknesses and formulate a Corporate Improvement Plan which has been updated.

Following the Annual Audit and Inspection Letter and the updated Use of Resources feedback in 2007 the Improvement Plan had been revised. Details of the Plan were submitted.

It was recognised that the 2007/2008 criteria would be more strict and initial inspections would be taking place in April/May 2008.

**Resolved** that the report be noted.

#### **11. Forward List of Agenda Items**

Reported the forward list of Agenda items.

**Resolved** that the Strategic Director and Democratic Services Officer review the list.

(The meeting ended at 8.07 p.m.)