

## **Corporate Governance Committee – 18 May 2009**

Present: Councillors Beaven, Critchard, Denington, R Lees, P Smith, A Wedderkopp, Mrs Whitmarsh and Williams

Officers: Ms M Hammond (Strategic Finance Officer), Mr P Sharratt (Economic Development and Regeneration Manager), Mr R Sealy (Client and Performance Manager), Mrs R James (Performance and Client Lead), Mr C Gunn (Group Auditor, South West Audit Partnership) and Mrs G Croucher (Democratic Services Officer)

Also Present: Mr B Wilson (Standards Committee), Mr T Bowditch (Audit Commission) and Mr P Weaver

(The meeting commenced at 6.15 pm)

### **12. Appointment of Chairman**

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

### **13. Appointment of Vice-Chairman**

**Resolved** that Councillor Wedderkopp be appointed as Vice-Chairman of the Corporate Governance Committee for the remainder of the Municipal Year.

### **14. Apologies/Substitutions**

Apologies: Councillors Govier, Henley, Paul and Mrs Smith.

Substitutions: Councillor R Lees for Councillor Paul and Councillor P Smith for Councillor Mrs Smith.

### **15. Minutes**

The minutes of the meeting held on 16 March 2009 were taken as read and were signed.

### **16. Risk Management Strategy**

Considered report previously circulated, which gave details of the Council's updated Risk Management Strategy.

The original Risk Management Strategy had been approved by the Committee in 2006 and had been reviewed and updated in order to continue the encouragement of best practice in this area.

Details of the updated Risk Management Strategy were submitted for discussion.

**Resolved** that the updated Risk Management Strategy be approved.

**17. Annual Audit and Inspection Letter 2007/2008**

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 findings and conclusions had been drawn from the 2007/2008 audit and from any further inspections undertaken.

The report found that that the Council had continued to make progress with the delivery of most of its priorities and had improved the performance of a number of its services.

However, the Council's ability to continue improving its services in the short term was challenged by an ambitious agenda, although a strong performance management system helped to mitigate the risk.

Some aspects of the Housing service had improved but progress in developing the Council's approach to equality and diversity had been slow.

The contract procurement and governance arrangements for Southwest One were robust and operating satisfactorily. However, it had been noted that the project was still at an early stage and would need effective contract management to ensure delivery of the expected benefits.

The Council had been given an unqualified opinion on its accounts for 2007/2008 and the value for money arrangements were adequate.

The Use of Resources score had been reduced from 3 to 2. This reflected reductions in the scores for the financial reporting, financial standing and value for money theme scores.

A Corporate Improvement Plan was currently being prepared that would draw together the findings of this report and other documents and would be reported at a future meeting.

**Resolved** that the report be noted.

**18. Economic Development Progress on Internal Audit Recommendations**

The Economic Development Manager reported on the progress made by the Economic Development Department on recent Internal Audit recommendations that had highlighted a number of weaknesses.

Reported on the areas of weaknesses identified and the action plans agreed to monitor the situation.

Members discussed the action plans and it was agreed that a further progress report by the Economic Development Manager be made to a future meeting of the Committee.

**Resolved** that the report be noted.

## **19. Comprehensive Area Assessment Update**

Reported that the Comprehensive Area Assessment (CAA) had come into effect in April 2009 and would change how public sector organisations would be assessed.

The CAA would look at how well local services were working together to improve the quality of life for local people. It was a joint assessment of the performance of local public services and how they would meet local priorities.

The Organisational Assessment combined the external auditor's assessment of Value for Money (including Use of Resources) and a new assessment, Managing Performance that would focus on the following:-

- How well the organisation was delivering its priority services, outcomes and improvements that were important to local people; and
- Did the organisation have the leadership, capacity and capability needed to deliver future improvements?

The area assessment was a self assessment that reviewed performance against the following:-

- How well did local priorities express community needs and aspirations?
- How well were the outcomes and improvements needed being delivered?
- What were the prospects for future improvements?

The Audit Commission would report on the CAA for Somerset in November 2009 and the report would set out for the public how effective local public services in Somerset were tackling the issues facing them.

The CAA would also assess how well local services were performing against the Local Area Agreement targets for improvement.

**Resolved** that the report be noted.

## **20. Annual Governance Statement 2008/2009**

Considered report previously circulated, concerning the Annual Governance Statement 2008/2010. The report had been prepared in accordance with the Corporate Governance Framework and covered all significant corporate

systems, processes and controls. The six core principles identified in the framework included:-

- Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting the values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which were subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective; and
- Engaging with local people and other stakeholders to ensure robust public accountability.

The Annual Governance Statement would need to include:-

- An acknowledgement of responsibility for ensuring that there was a sound system of governance;
- A brief description of the governance framework;
- A brief description of the process that had been applied in maintaining and reviewing the effectiveness of the governance arrangements; and
- An outline of actions taken or proposed to deal with any significant governance issues.

**Resolved** that:-

1. The Annual Governance Statement 2008/2009 be approved; and
2. The progress of the significant issues highlighted in the Statement be monitored by the Corporate Governance Committee and used to aid the preparation of the Annual Governance Statement for 2009/2010.

## **21. Internal Audit Annual Report 2008/2009**

Submitted for consideration the Annual Report 2008/2009 of the Council's Internal Audit Services.

A total of 14 operational audits had been planned for 2008/2009. However, three reviews had not been completed during the year and, with the agreement of the Head of Financial Services, one review had been rescheduled for 2008/2009. A further three audits had been completed from the previous year.

The following was a summary of the work undertaken during the year:-

- 139 agreed actions for improvement;
- 1 audit had been completed from the previous year;
- 6 audits had been completed and final reports issued;
- 8 audits were at the draft stage;
- 1 audit was in the process of being tested;
- 1 audit had not been completed.

For all the reviews undertaken an agreed action plan had been drawn up to address identified control weaknesses. Although a number of areas of concern had been identified, action plans had been agreed and progress would be monitored.

A number of managed audits had been completed to assist the External Auditor which had resulted in a number of actions for improvements. These would be monitored through to completion. The review of the Managed Audits had not identified any serious concerns and reasonable assurance had been given that key financial controls were in place and working as intended.

**Resolved** that the report be noted.

(The meeting ended at 8.30 p.m.)