

Corporate Governance Committee – 30 June 2009

Present: Councillor A Wedderkopp (Vice-Chairman) (In the Chair)
Councillors Denington, Hall, R Lees, McMahon, Mrs Stock-Williams
and Mrs Wilson

Officers: Ms M Hammond (Strategic Finance Officer), Mrs E Collacott (Principal Accountant), Mr R Holwill (Temporary Accountant), Mr C Gunn (Group Auditor, South West Audit Partnership), Mr J Williams (Chief Housing Officer), Mr T Haynes (Housing Property Manager), Mr D Woodbury (Health and Safety Advisor) and Mrs G Croucher (Democratic Services Officer)

Also Present: Councillor I Morrell, Mr B Wilson (Standards Committee),
Mr T Bowditch and Mr S Clarke (Audit Commission)

(The meeting commenced at 6.15 pm)

22. Apologies/Substitutions

Apologies: Councillor Williams (Chairman) and Councillors Beaven, Critchard, Govier, Henley, O'Brien, Paul, Mrs Smith and Mrs Whitmarsh

Substitutions: Councillor Hall for Councillor Williams, Councillor McMahon for Councillor Beaven, Councillor Lees for Councillor Critchard, Councillor Mrs Stock-Williams for Councillor Paul and Councillor Mrs Wilson for Councillor Mrs Smith

23. Declarations of Interest

Councillors Denington and Hall declared personal interests as the Council's representatives on the Joint Committee of the South West Audit Partnership.

24. Internal Audit Plan – Progress Review

Considered report previously circulated which provided an update on the significant findings and recommendations for the period May to June 2009.

Details were also reported of the operational audits and managed audits completed since May 2009 which included the main issues raised and the management responses thereto.

Members were concerned that there was no set procedure in place for the authentication of Council Tax callers and agreed that advice should be sought to rectify this.

Details of the reviews currently in progress were also provided.

Resolved that the report be noted.

25. Annual External Audit Fee 2009/2010

Mr Terry Bowditch, Audit Manager, the Audit Commission (AC) introduced the proposed external audit fee for 2009/2010 for Taunton Deane Borough Council.

This year the annual audit and inspection plan had been separated and the inspection fee would be reported at a future meeting.

The fee was based on the risk-based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2009/2010 and only reflected the audit element of the AC work and excluded any inspection and assessment fees.

The total indicative fee for the audit for 2009/2010 was £105,600. Details as to how this fee had been determined were submitted.

Resolved that the report be noted.

26. Housing Repairs – Progress Report and Action Plan

The Chief Housing Officer and the Housing Property Manager reported on the progress made by the Housing Repairs 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 considered that good progress had been made.

Resolved that the report be noted.

27. Statement of Accounts 2008/2009

Considered report previously circulated, concerning the annual Statement of Accounts for 2008/2009 which was required to be approved by the Corporate Governance Committee prior to the accounts being signed by the Council's Section 151 Officer and Strategic Director, Shirlene Adam, and by the Chairman of the Committee, Councillor Williams. The statutory deadline for the signing of the accounts was the end of June.

The 2008/2009 Accounts presented were subject to audit which would shortly be undertaken by the Audit Commission.

The format of the Statement of Accounts had not changed substantially from last year with only minor changes to the content of the Annual Accounts when compared to 2007/2008.

A detailed presentation was made to Members by the Strategic Finance Officer, Maggie Hammond and the Temporary Accountant, Richard Holwill, on the Statement of Accounts which included information on the following topics:-

- Income and Expenditure Account;
- Statement of Movement on the General Fund Balance;
- Statement of Recognised Gains and Losses;
- Balance Sheet;
- Cash Flow Statement.

Reported that following the conclusion of the audit to be undertaken by the Audit Commission, the Committee would be informed if any significant amendments had arisen.

Resolved that:-

- 1) The Statement of Accounts for 2008/2009 be approved;
- 2) The transfer of £372,000 from the Core Council Review Reserve to the General Fund Balances in 2008/2009 and £372,000 from the General Fund Balances to the Core Council Review Reserve in 2009/2010 be approved; and
- 3) The following determinations in respect of the year ended 31 March 2009 be made:-
 1. **Section 42(2)(g)** – that £4,968,000 of expenditure for capital purposes, which was financed by grant, be capitalised; and
 2. **Section 60(2)** – that £870,000 of useable capital receipts be applied to meet capital expenditure.

28. South West Audit Partnership Financial Performance 2008/2009

Considered report previously circulated, giving the Committee an update on the 2008/2009 financial performance of the South West Audit Partnership (SWAP).

The SWAP provided an internal audit service to Taunton Deane Borough Council and the four Somerset District Councils, together with Somerset County Council, Weymouth and Portland Borough Council and West Dorset District Council and operated as a joint committee.

It was reported that the Partnership's financial performance and business plan were robust and the Partnership had made an operating surplus of £11,763. This would be added to the Partnership reserve which stood at over £76,000.

It was also reported that the Partnership had largely delivered against its performance targets, despite a number of staffing vacancies during the year.

Resolved that the report be noted.

28. Review of Effectiveness of Internal Audit Arrangements

Considered report previously circulated, updating Members on the effectiveness of the internal audit service provided by the South West Audit Partnership during 2008/2009.

The review was an annual requirement to review the effectiveness of the arrangements for the provision of internal audit services. This included the staffing arrangements, the audit strategy and planning, the approach to risk and the quality and effectiveness of report as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit.

The review concluded that the Internal Audit service performed well in terms of delivery against audit plan and customer feedback.

The priority areas for focus during 2000/2010 included:-

- The implementation of an audit recommendation management software package to all partner members by 31 July 2009;
- The risk register for the South West Audit Partnership to be updated by 31 October 2009; and
- The completion of a business plan to include a new financial model and policies for the continuation of the Partnership by 31 October 2009.

Resolved that the report be noted.

29. Health and Safety Update

Mr David Woodbury, the Health and Safety Advisor, presented the Health and Safety Report updating Members on strategic issues including SAP, Southwest One and the Core Council Review.

Resolved that the current position be noted.

(The meeting ended at 7.53 p.m.)