

Corporate Governance Committee – 10 December 2009

Present: Councillor Williams (Chairman)
Councillors Beaven, Denington, Gaines, Henley, Horsley, Paul,
Stuart-Thorn, A Wedderkopp and Mrs Wilson

Officers: Donna Durham (Democratic Services Officer), Paul Fitzgerald
(Financial Services Manager), Adrian Gladstone-Smith (Acting
Performance and Client Lead), Chris Gunn (Group Auditor, South West
Audit Partnership), Maggie Hammond (Strategic Finance Officer),
Tonya Meers (Legal and Democratic Services Manager), Richard Sealy
(Performance and Client Manager), and David Woodbury (Health and
Safety Advisor)

Also Present: Mr M Allen, Mr B Bethell and Mr T Bowditch (Audit Commission)

Other: Councillor Mullins

(The meeting commenced at 6.15 pm)

38. Apologies/Substitutions

Apologies: Councillors Critchard, Govier and Mrs Whitmarsh

Substitutions: Councillor Horsley for Councillor Critchard
Councillor Gaines for Councillor Mrs Whitmarsh

39. Minutes

The minutes of the meeting held on 30 September 2008 were taken as read and were signed.

40. Declarations of Interest

Councillor Paul declared a personal interest as a Member of Somerset County Council.

41. Regulation of Investigatory Powers Act 2000

Considered report previously circulated, concerning the authorisations that had been granted under the Regulation of Investigatory Powers Act 2000.

The Regulation of Investigatory Powers Act 2000 made provision for the interception of communications, the acquisition and disclosure of data relating to communications, the carrying out of surveillance, the use of covert human intelligence sources and the acquisition of the means by which electronic data protected by encryption or passwords might be decrypted or accessed.

Local Authorities could authorise covert surveillance but needed policies and procedures in place. Covert surveillance would be carried out as a last resort

or if it was thought to be the most appropriate way to gather information.

The Council had officers of sufficient seniority to act as authorising officers and were trained to ensure that the Council used the legislation appropriately.

The Council was inspected every three years by the Office of Surveillance Commissioners and were last inspected on 18 July 2008.

Since the last inspection, no authorisations had been granted under the Regulation of Investigatory Powers Act 2000.

Resolved that the report be noted.

42. Annual Audit and Inspection Letter 2008/2009

Mr Brian Bethell from the Audit Commission introduced Taunton Deane Borough Council's Annual Audit and Inspection Letter.

The report set out an overall summary of the Audit Commission's assessment of the Council. Its findings and conclusions had been drawn from the 2008/2009 audit and from any further inspections undertaken.

The report found 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 lack of capacity in some key areas remained a crucial issue. The Core Council Review was likely to be completed and new structures in place by the end of the financial year. The new structures were intended to make the Council more fit for purpose, more efficient and better positioned to deliver its strategic priorities. In the short term, the restructure had caused some disruption to the management and delivery of key corporate services.

The Use of Resources score was 2 and the Council needed to give priority to addressing the weaknesses. An action plan had been agreed to help deliver the improvements.

The progress made with the Southwest One contract had been reviewed, particularly contract management and working with other partners. Amongst the findings, the following were included:

- Taunton Deane Borough Council's management capacity – it was recognised that the Council had the least resources in the partnership;
- Savings – had been modest but were ambitious in future years. Members needed to watch savings closely and ensure that targets were achieved;

- Partnerships – potential for the expansion or development of partnerships was limited due to lack of capacity;
- Audit and Financial Reporting – there had been considerable problems with budget monitoring, but the information was key.

Members were concerned that the Council was still experiencing problems invoicing and asked for an update on the DLO interface to be reported to a future meeting of the Corporate Scrutiny Committee.

Resolved that:

- (1) The areas for further improvement to the Council's arrangements identified through the use of resources judgement be responded to;
- (2) The agreed recommendations from the Audit Commission's Annual Governance Report be implemented; and
- (3) Southwest One's delivery be further monitored, to ensure that benefits realisation and the transformation of services was delivered on time and within budget.

43. Health and Safety Reporting

Mr David Woodbury, the Health and Safety Advisor, presented the Health and Safety Report updating Members on strategic issues including the DLO.

Resolved that the current position be noted.

44. Future of Internal Audit Provision

Considered report previously circulated, concerning the South West Audit Partnership.

The South West Audit Partnership was formed in April 2005 to provide an effective internal audit service to Taunton Deane Borough Council and South Somerset District Council for a period of five years.

Mendip District Council, West Somerset District Council, Sedgemoor District Council, Somerset County Council, Weymouth and Portland Borough Council, West Dorset District Council and Forest of Deane District Council had all since joined the Partnership.

The Partnership operated as a Joint Committee and the current legal agreement between the partners expired on 31 March 2010.

The Council had contributed £20,000 towards the Partnership's start up funding. The final repayment was due from the Partnership this year.

The Partnership's financial performance and business plans were robust and the Partnership had delivered against its performance targets over the first five

years.

The Partnership were drawing up a plan for the next five years and proposed that the Council's fees would remain at the 2009/2010 level of £131,600 for the next five years.

Whilst there were other options available, the Partnership had been successful and delivered the audits planned for the Council.

Resolved that it be agreed that the Council should remain within the South West Audit Partnership for the provision of its internal audit function for the five years commencing 1 April 2010.

45. Corporate Governance Action Plan

Considered report previously circulated, concerning the new Corporate Governance Action Plan.

Each year, the Council received a number of reports and assessments which resulted in recommendations for improvement. Individual action plans had proved challenging to manage and therefore, an aggregated plan would be provided.

The Corporate Governance Action Plan detailed recommendations from the following sources:

- Use of Resources 2008/2009;
- Comprehensive Area Assessment Organisation Assessment 2009;
- Annual Audit and Inspection Letter 2008 and 2009;
- Annual Governance Statement 2008/2009;
- Strategic Housing Review; and
- Partnership Audit.

Failure to implement a number of the recommendations could have a detrimental affect on next years Comprehensive Area Assessment Organisational Score.

Quarterly monitoring was undertaken by the Corporate Management Team and a summary would feature the revised performance monitoring reports commencing in April 2010.

The Corporate Governance Action Plan listed 72 actions which were submitted.

The following items were unlikely to be achieved by the targets dates:

- Corporate Governance – The update of the IT Strategies to ensure that there were clear links from these to financial planning; and
- Equalities and Diversity – The improvement of access to buildings for disabled people.

Other categories where doubts had been expressed about achieving improvement were submitted and these included the following:

- Business Continuity – To address the weaknesses identified by Internal Audit in the Council's disaster recovery arrangements;
- Equalities and Diversity – The collection of data on staff equalities issues and customer feedback on equalities issues, and the consideration of action required to address any issues arising;
- Transformation – (a) Continuing to monitor Southwest One's delivery, to ensure that benefits of realisation and the transformation of services was delivered on time and within budget; (b) The close monitoring of actual savings against profiled targets, with regular reports to Members;
- Value for Money – (a) The use of benchmarking more systematically to challenge service costs and delivery arrangements; (b) Targetting efficiency savings at those areas which currently provided poor value for money compared to other Councils.

Resolved that the report be noted.

46. National Indicator 179 – 2008/2009 Outturn

Considered report previously circulated, concerning the Council's final outturn figures and forecast information for National Indicator 179.

National Indicator 179 superseded the Annual Efficiency Statement in 2008 and was defined as 'the total net value of ongoing cash releasing value for money gains since 2008/2009'.

The Indicator focussed on the value of cashable efficiencies generated by the Council and this fed into the Local Area Agreement.

The Government target for the local authority sector had been increased in 2008 to 3% per annum from 2.5%. Taunton Deane Borough Council had included the indicator within its Local Area Agreement and had stretched its target from 3% of net revenue and capital expenditure to 3.5%. This meant a target for 2008/2009 of just over £700k per annum.

A performance report was submitted to the Executive in June 2009 and reported year gains of £574k, which led to cumulative cashable gains of

£922k. Following audits, this had been reduced in year gains of £494k with ongoing cumulative gains of £842k.

The forecast performance of cumulative gains to be achieved by March 2010 was £884k. This remained on target.

Resolved that the report be noted.

47. Internal Audit Plan 2008/2009 – Progress Report

Considered report previously circulated, which provided an update on the significant findings and recommendations since September 2009.

Details were also reported of the operational audits completed for the period between September and December 2009 which included the main issues raised and the management responses.

Details of the reviews and managed audits currently underway were also provided.

Resolved that the report be noted.

(The meeting ended at 8.17pm)