

Corporate Governance Committee – 14 March 2011

Present: Councillor Denington (Chairman)
Councillor Coles (Vice-Chairman)
Councillors Mrs Allgrove, Beaven, Cavill, Miss James, Thorne and
A Wedderkopp

Officers: Mrs S Adam (Strategic Director), Mr P Fitzgerald (Financial Services
Manager), Mr C Gunn (Group Auditor, South West Audit Partnership),
Mr A Brown (South West Audit Partnership), Mr D Webb (Client and
Performance Officer), Mr D Woodbury (Health and Safety Advisor), and
Mrs G Croucher (Democratic Services Officer)

Also Present: Councillors Morrell and Stuart-Thorn

(The meeting commenced at 6.15 pm)

12. Apologies/Substitutions

Apologies: Councillor Govier, Hall, Henley, O'Brien and Mrs Wilson

Substitutions: Councillor Mrs Allgrove for Councillor Hall and Councillor Cavill
for Councillor O'Brien

13. Declaration of Interests

Councillor Miss James declared a personal interest as an employee of Viridor.

14. Health and Safety Update

Mr David Woodbury, the Health and Safety Advisor, presented the Health and
Safety Report and updated Members on issues including a number of issues
reported to the Health and Safety Committee.

Resolved that the report be noted.

15. Corporate Governance Action Plan

Considered report previously circulated, giving details of the progress made
against the 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 monitor and, therefore, an aggregated plan
provided the details of the scale of improvements required and progress
against them in one place.

The Corporate Governance Action Plan had undergone a full review and had
been updated to include the most recent audit recommendations. These were

in addition to some actions from previous audits that remained outstanding or were still considered as priorities for improvement.

The Action Plan listed 34 actions, details of which were submitted. There were no items off target and most actions were on course to be completed by the target date.

Resolved that progress against the Corporate Governance Action Plan be noted.

16. Risk Management

Considered report previously circulated, updating Members on the current position of Risk Management. This was the process by which risks were identified, evaluated and controlled and was one of the key elements of the Corporate Governance framework.

The annual review of the Corporate Risk Register had been completed by the Corporate Management Team in February 2011. Particular emphasis had been placed on the consideration of risks arising from the significant cuts to the Government Grant Settlement and Government Reforms. The development of Management Action Plans for further control measures for the highest level risks would be reported to the June 2011 meeting.

Also reported that operational risk registers had been produced for each of the Council's Themes and were reviewed on a quarterly basis.

Resolved that:-

- 1) The Corporate Risk Register be noted; and
- 2) The progress with Risk Management be noted.

17. Internal Audit – Review of Internal Audit Charter

Considered report previously circulated, setting out the terms of reference of the Internal Audit Charter which governed the work of the South West Audit Partnership (SWAP) at Taunton Deane Borough Council.

Details of the Internal Audit Charter were submitted for consideration and review by Members.

Resolved that the Internal Audit Charter be approved.

18. Internal Audit Plan 2010/2011 – Progress Review

Considered report previously circulated, which provided an update on the significant findings and recommendations since September 2010.

Details of the four operational audits completed during the period were reported, together with details of the seven managed audits completed to draft or final report state.

Also reported that six governance audits had been completed to draft or final report stage and the remaining two audits would be completed by the year end.

Resolved that the report be noted.

19. Annual Audit Plan 2011/2012

Submitted for consideration the Annual Audit Plan 2011/2012.

The Plan had been developed with the co-operation and approval of the Section 151 Officer. It was risk based and, where possible, was co-ordinated with the audit plans of the other members of the South West Audit Partnership (SWAP).

The Plan had been drawn up to reflect the wide range of work undertaken by the Internal Audit Section and comprised four main areas of activity:- Operational Audit Reviews; Governance Reviews; Annual Reviews of Key Financial System Controls and Follow Up Reviews.

Details of the reviews planned for 2011/2012 were submitted for consideration by Members.

Resolved that the Annual Audit Plan for 2011/2012 be agreed.

20. International Financial Reporting Standards Update

Considered report previously circulated, giving details of the progress made on the implementation of International Financial Reporting Standards (IFRS) in 2010/2011. This related to changes to the technical accounting rules that the Council used for its financial reporting and would be implemented for the 2010/2011 Statement of Accounts.

IFRS were accounting standards issued by the International Accounting Standards Board. These standards were the equivalent of the current UK GAAP, which was the set of "Generally Accepted Accounting Principles" under which the Council met its statutory obligations in the preparation of its financial statements.

The most significant areas of change were:-

- Accounting policies;
- Format of the main Financial Statements and supporting notes;
- Accounting for leases;
- Accounting for fixed assets, including component accounting;
- Accounting for employee benefits;

- Segmental reporting; and
- Group accounts.

The Council set an implementation timetable in line with early guidance which intended to give local authorities plenty of time to plan and prepare for the changes. However, the timetable has been revised to accommodate revised expectations.

Although the implementation of IFRS was later than planned, good progress had been made and the proposed key milestone dates to complete the IFRS and the 2010/2011 Financial Statements had been proposed as follows:-

Heading	Target
Restatement of 2009/2010 Comprehensive Income and Expenditure Statement	31 March 2011
Restatement of 31 March 2009 and 31 March 2010 Balance Sheets	31 March 2011
Draft 2010/2011 Unaudited Statement of Accounts (on IFRS basis) approved by S151 Officer	15 June 2011
Corporate Governance Committee approve 2010/2011 Statement of Accounts	27 June 2011
External Audit provide Audit Opinion on 2010/2011 Statement of Accounts	30 September 2011

Resolved that the report be noted.

21. Corporate Governance Committee Forward Plan

Submitted for information the proposed Forward Plan of the Corporate Governance Committee.

Resolved that the Corporate Governance Committee Forward Plan be noted.

(The meeting ended at 8.35 pm).