

## **Corporate Governance Committee – 7 December 2015**

Present: Councillor Mrs Stock-Williams (Chairman)  
Councillors Mrs Blatchford, Coles, Hall, Horsley, R Lees, Ryan, Sully,  
Mrs Tucker and Ms Webber

Officers: Jo Nacey (Senior Accountant and Deputy Section 151 Officer),  
Scott Weetch (Community and Client Services Manager),  
Richard Sealy (Assistant Director – Corporate Services) and Emma Hill  
(Democratic Services Officer)

Also Present: Councillor Parrish  
Peter Barber - Associate Director, Grant Thornton  
Kevin Henderson – Audit Manager, Grant Thornton  
Alastair Woodland - Audit Manager, South West Audit Partnership (SWAP)

(The meeting commenced at 6.15 pm)

### **33. Apologies**

Apologies: Councillors Miss Smith, Govier, Hunt and Wedderkopp.

Substitution: Councillor Horsley for Councillor Miss Smith.

### **34. Minutes**

The Minutes of the Meeting of the Corporate Governance Committee held on 21 September 2015 were taken as read and were signed.

### **35. Declaration of Interests**

Councillor Coles declared a personal interest as a Member of Somerset County Council. Councillor Hall declared a personal interest as a Director of Southwest One.

### **36. Grant Thornton External Audit – Annual Audit Letter**

Considered report previously circulated, which introduced the Annual Audit Letter for 2014/2015, which had been prepared by the Council's external auditors, Grant Thornton. A copy of the Annual Audit Letter had also been enclosed with the report.

The report summarised the findings from the external auditors' work in respect of the 2014/2015 financial year and confirmed the issue of unqualified opinions in relation to Taunton Deane's accounts and value for money arrangements.

The letter also provided a progress update in relation to the Certification of Grant Claims work being undertaken by the external auditors and confirmed the planned audit fees for 2014/2015 at £67,505. The external auditors had also made a number of recommendations, which were detailed in the Appendix to the letter.

During the discussion of this item, Members made comments and statements and asked questions which included:- (Responses were shown in italics)

- Members requested that the reports and appendices be made black and white printing friendly in the future to save on printing costs.
- With regard to Certification of Housing Benefit Grant Claims, were the Council in a good position when it concerned Universal Credit?  
*The External Auditor explained that he was not in a position to answer this at the moment. The Council's role going forward was uncertain and it was a case of 'wait and see'.*

**Resolved** that the Annual Audit Letter for 2014/2015, the progress update on the Certification of Grant Claims work and the recommendation made by the External Auditors all be noted.

### 37. Grant Thornton External Audit – Audit Update

Considered report previously circulated, which provided an update from the Council's external auditors, Grant Thornton, in relation to their work during the 2014/2015 financial year and also provided an update in relation to emerging national issues.

The report updated Members on the status and progress on the auditor's programme of work as at December 2015. The audits on Housing Benefit Certification 2014/2015 and Capital Receipts Return 2014/2015 were now completed but the other audits had no proposed timescale but the Auditor's would be discussing this with the Council's Finance Team.

The Auditors were now completing risk assessments on the chosen audit areas. If any risks came out of the assessment process, the Auditor's would look into those risks and the area in further detail. This was a new approach for Grant Thornton.

During the discussion of this item, Members made comments and statements and asked questions which included: - (Responses were shown in italics)

- It was requested that copies of the External Auditor's Devolution Report and Marketing Insight be circulated to the Committee.
- Had the Council failed to sign off the Capital Receipt Claim (CRC) to the Department for Communities and Local Government (DCLG)?  
*DCLG had said they would give a lead-in time to certify the claims and sign them off and that this issue had been resolved. This would not have an adverse affect on the Council.*
- Concerning Value for Money, if the Auditors did not find any risks, did this mean it would cost less to complete the audit?  
*The cost was fixed in a five year contract and there was two year remaining. With any additional work, this would incur additional charges on top of the set fee.*
- Concerning Business Rates and appeals, could this be back dated as this was last reviewed in 2010? The Council had not been permitted to retain Business Rate receipts which had gone back to the Government but were now expected to meet the cost of any successful appeals?

*No matter what the Council planned for Business Rate Appeals, it only took one large business to make a successful claim and all those plans could be devastated.*

*The Government was aware of this issue and local authorities, including Taunton Deane had been lobbying regarding this. There was a 'smoothing pool' within Somerset, which was intended to help mitigate this to a degree and in addition to this fund, the Council was setting money aside. Grant Thornton was currently assessing the risks involved with this issue.*

**Resolved** that the update provided be noted.

### **38. SWAP Internal Audit – Progress Report**

Considered report previously circulated, concerning a summary of the work of the Council's Internal Audit Service – the South West Audit Partnership (SWAP). This provided details of any new significant weaknesses identified during internal audit work completed since the last report to the committee. A schedule of audits completed during the period, detailing their respective assurance opinion rating, the number of recommendations and the respective priority rankings of these was also submitted.

The Internal Audit Service was making steady progress against the 2015-2016 plan. Due to changes in SWAP's resources, two scheduled reviews that should have started in September had been deferred, re-scheduled and in some re-scoped. These were:-

- The Declaration of Interests, Gifts and Hospitality and Ethical Standards; and
- The information System – SAP audit (examination of the SAP migration work)

It was reported that there were four partial assurance audits being reported and one follow-up audit. Officers drew the Committee's attention to the risk assessment tables which showed that whilst each review had returned a partial assurance, only the Housing Voids review had returned a high risk at a corporate level.

An agreed action plan had been put in place following the completion of each review. Copies of the agreed action plans were enclosed for the information of Members.

To ensure this Committee was provided with assurance on areas of weakness, officers would be following up on these partial assurance reviews and would report back on progress made against each recommendation.

During the discussion of this item, Members made comments and statements and asked questions which included:- (Responses were shown in italics)

- In the previous financial year was there slippage due the staff changes, and was the Council on target?  
*There would always be some work that needed to be carried forward to the next financial year.*
- It was requested that the SWAP Report regarding a review of the Business Grants Incentive Scheme should be sent out to Committee Members.  
*This was agreed.*

**Resolved** that the report be noted.

### **39. SWAP Internal Audit – Discussion Item on Report Redesign**

Considered report previously circulated, which provided Members with the opportunity to provide their input on the report re-design process.

Ideally SWAP would like to agree one common template that could be agreed that could be run automatically through the use of SWAP software.

SWAP was aiming to introduce the new committee report style from 1 April 2016. SWAP Officers presented a summary of the initial thoughts and feedback from Taunton Deane officer representatives regarding the new committee report template.

During the discussion of this item, Members made comments and statements and asked questions which included:- (Responses were shown in italics)

- Could SWAP consider including pie charts and graphs to present the data and figures?
- Also the inclusion of the Council's RAG Status i.e. Red, Amber or Green.
- Could the orientation of reports be portrait and not landscape?

The SWAP representative confirmed that the Committee's comments would be taken into consideration towards the preparation of the new report template.

**Resolved** that the report and the comments made by Members be noted.

### **40. Update on Health and Safety Performance and Strategy for 2015/2016**

Considered report previously circulated, concerning an update on the progress of a range of Health and Safety matters across the organisation. These included:-

- Accident and Incident Data for the period;
- Monitoring Health and Safety Performance;
- Report on actions agreed by Health and Safety Committee;
- Policy updates; and
- Key activities of the Health and Safety Advisor.

Below was a summary of topics which included:-

- Members were presented with incident and accident data for two periods - 1 April 2014 to 31 March 2015 and 1 April 2015 to 31 October 2015. By the end of the year, the Council would be broadly in line with the data from last year.
- Twelve accident forms had been issued to managers to date and all actions had been completed where required, unless being dealt with as part of a wider action plan.
- There had been a recent increase in near miss cards submitted as a result of the 'drop in' sessions for Deane DLO employees and the asbestos investigation.

- There were three cases of continuing investigation work and one of which was a reportable incident under the Reporting of Injuries Diseases and Dangerous Occurrences Regulations 2012 (RIDDOR). This was related to a gas flue pipe.
- Key performance indicator monitoring from 1 April 2015 had shown three of the four indicators were green and on target as well as one amber.
- Health and Safety Officers had visited the swimming pool construction site at Blackbrook Sports Pavillion to review with the Centre Manager their health and safety processes.
- There had been significant input from the Health and Safety service to a root and branch review of all of the Council's processes that might involve asbestos.
- The Health and Safety Team had been responsible for monitoring the action plan and had been involved in producing plans of work and risk assessments for the Deane DLO non-licensed Asbestos Task Team.

During the discussion of this item, Members made comments and statements and asked questions which included:- (Responses were shown in italics)

- Was the Council continuing with Toolbox talks?  
*The Council was continuing with Toolbox Talks at the Depot. These were completed on request of Managers and would be assessed by the Health and Safety Manager.*
- It was requested that data information for Deane DLO and the Crematorium be separated in the table.

**Resolved** to note the progress made on the implementation of the Health and Safety Strategy and its delivery and the initiatives to improve the Council's operating culture.

#### **41. 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 7.15 pm).