

GOVERNANCE & AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON 26 MARCH 2007

Councillors: Barbara Alexander (*Chairman*) (P), John Chapman (P), Sue Farrant (AP), Denise Gaines (P), Alexander Payton (*Vice Chairman*) (AP), Andrew Rowles (AP) and Quentin Webb (P)

Also present: Councillor Keith Lock, John Bull (Audit Commission), Ian Priestley (Service Head - Assurance), Charles Morris (Risk Manager), Shiraz Sheikh (Solicitor – Property & Commercial) and Vicky Wheatley (Policy & Research Officer).

PART I

35. APOLOGIES.

Apologies for inability to attend the meeting were received on behalf of Councillors Sue Farrant, Alex Payton and Andrew Rowles. Councillor Keith Lock attended the meeting as a substitute.

The Chairman welcomed Councillor Quentin Webb to the meeting, who had replaced Councillor Webster as a permanent Member of the Committee.

36. MINUTES.

The Minutes of the meeting held on 7 December 2006 were approved as a true and correct record and signed by the Chairman

37. DECLARATIONS OF INTEREST.

There were no interests declared.

38. TRAINING: CPA – THE USE OF RESOURCES.

The Committee received a briefing on the Use of Resources (UoR) element of the Comprehensive Performance Assessment (CPA) from Ian Priestley, Service Head – Assurance. Ian Priestley reported that:

- The Use of Resources was the criteria by which the Audit Commission measured how well the Council was managing its resources,
- There were five elements; financial reporting, financial management (how well the Council planned financially), financial standing (how well the Council managed spending in relation to the resources available), internal control (risk management and governance arrangements for example) and value for money (VFM),
- The Use of Resources fed into the Council's CPA score and helped the Council become a 3 star authority,
- The Council expected CPA targets to become harder in 2007/2008 and in 2008/09 the Audit Commission would introduce the Comprehensive Area Assessment to replace the CPA,
- The CPA reporting period had recently shifted to be in line with the financial year, so the Council has lost 6 months preparation time for the 2006 assessment (to be carried out in September 2007). At the same time the criteria for the assessment had been tightened, making it harder to maintain the existing score and progress to 4 scores.
- The Council had received a lower score in the 2004 assessment following the introduction of CPA: The Harder Test and the dissolution of the Amey Partnership. The introduction of the Governance & Audit Committee had helped the Council receive a higher rating in the 2005 assessment,

Committee that changes to the Constitution were required due to a management restructure in the Council, changes in equalities legislation, a new protocol for Member involvement in contacts over £50,000, the need for Project Appraisals and changes in legislation. The proposed amendments were detailed in Appendix B of the report.

RESOLVED that

1. Council be requested to approve changes to Part 12 of the Constitution (as set out in Appendix 6B),
2. The Officers names be removed from the final page of Part 12.

42. RISK MANAGEMENT STRATEGY.

The Committee considered the Risk Management Strategy for 2007/2008 (Agenda item 7) delivered by Charles Morris, Risk Manager, who reported that:

- The report highlighted the Council's achievements and areas to be worked on in 2007/08,
- Risk Management had achieved a score of 4 in the last CPA round,
- In 2006/07 40 managers had been trained in risk management,
- Education Services and West Berkshire Schools were becoming more aware of risk management, and the Council was also working with some of the main contractors to schools. It was not expected that such measures would bring down insurance premiums, but would help maintain them at their current level,
- Recently there had been a couple of large losses in schools, and the Council was helping schools to focus on risk and security measures.

The Committee was pleased that schools were becoming more aware of risk management, but felt it was important that activities such as school trips should still go ahead. Ian Priestley confirmed that the purpose of risk management was to allow opportunities to be taken up in a safe way.

RESOLVED that

1. The Risk Management Strategy for 2007/08 be noted,
2. Where possible, the Risk Manager uses real examples of risk management in training courses.

43. THE QUARTERLY REVIEW OF THE STRATEGIC RISK REGISTER AND RED RISKS.

The Committee considered the quarterly review of the Strategic Risk Register and Red Risks (Agenda item 8) delivered by Charles Morris, Risk Manager. The Risk Manager informed the Committee that the Risk Register had been considered by Corporate Board and Management Board and their comments had been incorporated.

- The Committee examined the Red Risks and commented that some risks, such as a Flu Pandemic and flooding were seasonal and requested that this be added in as a comment,
- The Committee were asked to note that the Chief Executive was responsible for 7.3 Under achievement of Safer Communities Partnership and that an action plan was in place to combat under achievement,
- Concerns over proposed changes in legislation to S106 contributions would be added to the Register.

RESOLVED that

1. The Quarterly Risk Register report and Red Risks be noted,

- All requirements for each level had to be fulfilled before the Council could achieve that rating. For example, the Council had to meet every requirement for level 2 to become a 2 star authority,
- The D4 Group was led by John Ashworth, Corporate Director – Environment, who had overall responsibility for Value for Money and Use of Resources.

RESOLVED that the briefing on CPA – Use of Resources be noted.

39. ANNUAL AUDIT LETTER.

The Committee received the Audit Commission Annual Audit and Inspection Letter (Agenda item 12). John Bull, attending from the Audit Commission, reported that the Audit Commission was required to report to 'those charged with Governance' on the outcomes of their audit and inspection. He reported that the Audit Commission considered that West Berkshire Council was improving well, and this was reflected in the authority's move from a 2 to a 3 star authority. Some areas for further improvement had been identified.

Members noted the Audit Commission considered the cost of waste collection to be high (paragraph 14) and felt this was due to the rural nature of the District. The Audit Commission had also suggested that public transport needed improvement, and Members felt the Council needed further information from the Commission on what was required.

Ian Priestley confirmed that concerns raised in the Audit Commission's letter would be fed back to the Officers concerned through Corporate Board and the D4 Group would work on the areas for improvement.

RESOLVED that

1. The Audit Commission's Annual Audit and Inspection letter be noted,
2. John Bull be requested to provide further information on why the Audit Commission felt more housing needed to be provided for people and families on low incomes,
3. The Commission request that in future they receive information from the D4 Group on progress being made on the areas for improvement identified by the Audit Commission.

40. USE OF RESOURCES.

The Committee considered the Council's Use of Resources score (Agenda item 5) presented by Ian Priestley, Service Head – Assurance. It was reported that the Audit Commission's Use of Resources – Auditor Judgements report outlined the results of the assessment carried out by the Audit Commission on the Council's Use of Resources. Table 2 (p11 of the agenda) showed that most scores had improved.

The only score that did not improve was 2.3 'How the Council managed its asset base'. John Bull, Audit Commission, reported that the Council needed to improve how it commits money and project manages capital spend. Ian Priestley informed the Committee that the Council was addressing the issue.

RESOLVED that

1. The Audit Commission's Use of Resources – Auditor Judgements report be noted,
2. John Bull and Ian Priestley be requested to provide further information on the Council's low score for managing the asset base and what actions are in place to combat concerns,
3. The Committee be kept informed of progress and implementation of the action plans.

41. REVISED CONTRACT RULES OF PROCEDURE.

The Committee considered the proposed changes to Part 12 of the Constitution – Contract Rules of Procedure (Agenda item 6). Shiraz Sheikh, Solicitor – Property and Commercial, informed the

2. The Risk Manager determine whether any risks were seasonal, and if so, to add appropriate comments into the Register,
3. The Risk Manager examine the Shaw House risk and whether it should be reduced, and also investigate whether phase 3 of the project (the garden) should be separated on the Register from phases 1 and 2.

44. RISK MANAGEMENT THIRD QUARTER REPORT 2006/2007.

The Committee considered the Risk Management quarterly report for 2006/07 (Agenda item 9) delivered by Charles Morris, Risk Manager.

The Committee were asked to note that details of insurance claims were confidential.

The Risk Manager reported that:

- Business Continuity Planning would be dealt with by the Emergency Planning department in future and would be removed from the Risk Management report,
- The Head of Service responsible for Public Protection and Planning had not provided a response in the last quarter and this would be rectified in the next quarter,
- Some local authorities in London were considering forming an insurance 'Pool' from April 2007 and this experiment would be followed closely by the Risk Manager who would bring a report to a future Governance & Audit Committee meeting.

RESOLVED that

1. The Risk Management quarterly report for 2006/07 be noted,
2. A report on the first local authority insurance pool be brought to a future meeting of the Committee.

45. INTERNAL AUDIT PLAN.

The Committee considered the Internal Audit Plan (Agenda item 10) delivered by Ian Priestley, Service Head – Assurance. It was reported that:

- The Internal Audit Plan set out the work for Internal Audit in order to identify and help to mitigate weaknesses in service delivery systems and procedures,
- Internal Audit faced problems attracting and retaining suitably qualified staff. It was hoped that the re-structure of Finance would provide two more highly graded posts,
- Due to staff shortages in Audit, it was likely that 10 – 20% of work on the audit plan would slip to the following year,
- Schools were audited every three years on a rolling programme,
- Internal Audit reported back to the Committee on their opinion of the areas audited in the Annual Report

RESOLVED that

1. The Internal Audit Plan be noted,
2. In future Appendix D – Audits deleted due to competing priorities - include the date the area was last audited.

46. ANNUAL WORK PROGRAMME.

The Committee considered its current work programme.

RESOLVED that

1. The annual work programme be noted,

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2. The Committee examine whether all S106 contributions collected by the Council were being spent at a future meeting.

(The meeting commenced at 5.30pm and closed at 7.37pm)

CHAIRMAN

Date of Signature:

GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON THURSDAY 10 MAY 2007

Councillors: Jeff Beck, Paul Bryant, Mike Johnson, Irene Neill, Julian Swift-Hook, Tony Vickers and Quentin Webb.

PART I

1. ELECTION OF CHAIRMAN.

RESOLVED that Councillor Jeff Beck be elected Chairman of the Governance and Audit Committee for the 2007/2008 Municipal Year.

Jeff Beck in the Chair.

2. APPOINTMENT OF VICE-CHAIRMAN.

RESOLVED that Councillor Tony Vickers be appointed Vice-Chairman of the Governance and Audit Committee for the 2007/2008 Municipal Year.

3. APOLOGIES.

There were no apologies for absence received.

CHAIRMAN

Date of Signature: