

# GOVERNANCE AND AUDIT COMMITTEE

## MINUTES OF THE MEETING HELD ON 04 FEBRUARY 2008

**Councillors:** Jeff Beck (*Chairman*) (P), Paul Bryant (P), Tony Linden (P), Irene Neill (AP), Julian Swift-Hook (AP), Tony Vickers (*Vice Chairman*) (P) and Quentin Webb (P).

**Officers present:** David Holling (Head of Legal and Electoral Services), Ian Priestley (Assurance Manager), Gary Lugg (Head of Planning and Trading Standards) and Moira Fraser (Policy Executive).

### PART I

#### 37. APOLOGIES.

Apologies for inability to attend the meeting were received on behalf of Councillors Irene Neill and Julian Swift-Hook.

#### 38. MINUTES.

The Minutes of the meeting held on 27 November 2007 were approved as a true and correct record and signed by the Chairman subject to the following amendment:

**Item 34, third bullet point:** "The Council had no insurance cover for any terrorist action, as the likelihood of being ~~attacked~~ (delete) attacked (insert) by terrorists was very low."

#### 39. DECLARATIONS OF INTEREST.

There were no declarations of interest received.

#### 40. PLANNING AND TRADING STANDARDS RISK REGISTER.

The Committee received a report (agenda item 4) setting out the Planning and Trading Standards Service's Risk Register. Gary Lugg explained that this was an example of a risk register, a management tool that each of the Council's services was required to produce and monitor. The risk register was attached to Service Plans and was factored into the budget setting process.

Individual teams identified risks when discussing the outcomes they were expected to achieve and the constraints that they would face in order to deliver them. The register also included strategic and generic risks faced by the service. It was accepted that risks were subjective but guidance on categorising risks was currently being issued to ensure a standardised approach. Red risks were included in the Council's Risk Action Plan. The Committee noted that training for Managers was key and should therefore be included in induction programmes for new Managers.

The Committee made the following comments related specifically to the planning and Trading Standards Operational Risk Register:

- they were concerned about the risks associated with losing key members of staff. Gary Lugg explained that salaries were falling behind the private sector which was impacting negatively on recruitment and retention and he might therefore need to undertake a salary review in the near future;
- there were a number of net scores of six within the Trading Standards team. Gary Lugg felt that some of these risks might be downgraded now that the office move had been completed.

- the proposed Kennet Valley Development was placing a huge onus not only on the Planning Team but across other Council Services including the Legal team. Gary Lugg also noted that if the development was approved it would place significant pressure on the infrastructure of the area and this would need to be carefully managed. The gross and net rating for this item would need to be adjusted for quarter 3 as the likelihood would increase to a 3.

The Committee felt that the Council's system for identifying and monitoring risks appeared robust. Due to the ever changing nature of risks they agreed that this item should continue to be reviewed by the Committee on a quarterly basis.

**Resolved that** the risk register be noted.

#### **41. USE OF RESOURCES.**

The Committee considered the annual Use of Resources report (agenda item 5) and the Assurance Manager highlighted the additional changes for 2008-2009. Ian Priestley noted that the assessment for 2006/07 was unchanged from 2005/06 and the overall score had remained at three out of a possible four. There were a number of areas across the Council that had improved but this was not necessarily reflected in the scores. Ian noted that the resource implications for improving from a three to a four score would be enormous.

The Assurance Manager explained that the revised Key Lines of Enquiry (KLoEs) provided clarity on areas that the Council could improve on in order to improve its score. The introduction of the Comprehensive Area Assessment in the next financial year would however result in a massive step change for the Council in the next financial year.

**Resolved that** the report be noted.

#### **42. WORK IN PROGRESS 2007-2008 AND AUDIT PLAN FOR 2008-2009.**

The Committee received a report (agenda item 6) informing them of the progress made with the Audit Plan for 2007-2008 and preparations for the 2008-2009 Audit Plan. The Assurance Manager explained that the report had been drafted following queries that were raised at the previous meeting.

Members noted that 17 audits planned for 2007-2008 would not be completed. The delays were primarily due to additional time taken to cover the FMSIS assessment of primary schools, special investigative work and staff vacancies. The Plan was a work in progress which meant that it would have to be reprofiled as new pressures emerged and resources had to be diverted.

The Assurance Manager set out the process for developing Audit Plans and reported that a range of low, medium and high risk areas were selected for inclusion. Mandatory audits of certain areas of the Council e.g. Finance had to be undertaken on an annual basis. Once audits were completed Heads of Service had to ensure that recommendations were implemented.

**Resolved that** an update on the red items be brought back to the next meeting.

#### **43. RISK MANAGEMENT TRAFFIC LIGHT INDICATORS**

The Committee received a report (agenda item 7) concerning the way the Council monitored the performance of services in managing their risks. Members noted the template that each Head of Service was required to complete. Members noted that the criteria were updated as part of the annual process to ensure continuous improvement.

**Resolved that** the report be noted.

**44. RISK MANAGEMENT TERRORISM INSURANCE.**

The Committee received a report (agenda item 8) relating to the absence of terrorism insurance for the Council. The Assurance Manager explained that the Council had never opted to have insurance against an act of terrorism. However, only two of the six Berkshire Unitary Authorities were currently without this cover.

Officers were recommending that the Governance and Audit Committee recommend to the Executive that terrorism cover be put in place. The Assurance Manager noted that Hull County Council had a £20m - £30m uninsured loss to pay following the damage caused by flooding during this year. Members accepted that the likelihood of flooding was greater than the likelihood of a terrorism act.

The Council would be required to pay an annual premium of £40k (current insurance bill was in the vicinity of £800k) and would be liable for an excess of £250k per incident. Members requested that Officers hold informal discussions with colleagues in the other Unitary Authorities to ascertain on what basis they had opted to include terrorism cover in their insurance. Members felt that the decision as to whether cover should be put in place should be divorced from budget pressures.

**Resolved that** a report be brought back to a future meeting.

**45. GOVERNANCE AND AUDIT WORK PROGRAMME**

The Committee noted the work programme and requested that it remain as a standing item on future agendas.

*(The meeting commenced at 6.30pm and closed at 8.25pm)*

**CHAIRMAN** .....

**Date of Signature:** .....