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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON MONDAY 29 JUNE 2009

Councillors: Jeff Beck (*Chairman*) (P), Paul Bryant (P - arrived 6.20pm), Tony Linden (AP), Irene Neill (P), Julian Swift-Hook (P), Tony Vickers (*Vice-Chairman*) (AP), Quentin Webb (P)

Substitutes: Brian Bedwell (SP), Keith Lock (SP)

Other Members Present: Keith Chopping, David Rendel

Also present: Ian Priestley (Assurance Manager), Moira Fraser (Democratic Services Manager), Simon Freeman (Deputy S151 Officer), Andy Day (Deputy Monitoring Officer), Joseph Holmes (Accountancy Manager), Lesley Flannigan (Group Accountant), Charles Morris (Item 6 - Risk Manager), Julie Gillhespey (Group Auditor), Gary Lugg (Item 4 - Head of Planning and Trading Standards)

PART I

4. APOLOGIES.

Apologies for inability to attend the meeting were received on behalf of Councillors Tony Vickers and Tony Linden. Councillor Keith Lock substituted for Councillor Vickers and Councillor Brian Bedwell substituted for Councillor Linden.

5. MINUTES.

The Minutes of the meeting held on the 27 April and 12 May 2009 were approved as a true and correct record and signed by the Chairman.

6. DECLARATIONS OF INTEREST.

Councillor Keith Lock declared an interest in Agenda Item 5, but reported that, as his interest was personal and not prejudicial, he was permitted to take part in the debate and vote on the matter.

7. INTERNAL AUDIT – ANNUAL REPORT.

The Committee considered a report (Agenda Item 5) concerning the outcomes of Internal Audit work for 2008-09 and considered the opinion of Internal Audit on the internal control framework of the Council. Ian Priestley in introducing the item noted that this report supported the Annual Governance Statement. The report comprised both the annual report and the quarter four report. The Internal Auditors had not identified any fundamental weaknesses in the Council's systems and where weaknesses were identified management action was taken to resolve the issues identified.

Ian Priestley reported that there were four audits rated as weak during the year namely: Facilities Grant in Education, Land Charges (Legal and Electoral), Webrisk (Finance), Planning Obligations (Planning and Trading Standards). Three follow up audits were rated as unsatisfactory: Planning Obligations (Planning and Trading Standards), The Priory (Children Services), Riverside Youth and Community Centre (Children's Services).

DRAFT

Ian Priestley reported that further evidence of the robust nature of the system of internal control was illustrated by the Council quick and effective response to areas of concern.

Members noted that the list of work commenced tabled had been amended as requested at the previous meeting and they thanked Officers for the enhanced presentation of the information.

Gary Lugg noted that in response to the follow up audit review of planning obligations Corporate Board had agreed that Accountancy would take on ownership of the s106 contributions and that the governance issues would be resolved by the formation of a sub group of the Capital Management Group. In addition the database had been updated and reconciled.

RESOLVED that following the review the annual report be approved.

Councillor Julian Swift-Hook abstained from voting and requested that his abstention be noted in the minutes.

8. PRESENTATION OF THE 2008-09 FINANCIAL STATEMENTS.

(Councillor Keith Lock declared a personal interest in Agenda item 5 by virtue of the fact that his wife was a Member of the Teachers Pension Fund. The Monitoring Officer agreed that this would remain a personal interest unless this area was discussed in greater detail in which case Councillor Lock would need to withdraw from the meeting. As his interest was personal and not prejudicial he was permitted to take part in the debate and vote on the matter).

The Committee considered a report (Agenda Item 5) concerning the financial statements presented for external audit for the financial year 2008-09. Joseph Holmes in introducing the report noted that he had outlined the contents and purpose of this report at the March 2009 Governance and Audit meeting.

Joseph Holmes explained that the five primary statements within the document were:

- The Income and Expenditure Account
- Statement of the Movement on the General Fund Balance
- Statement of Total Recognised Gains and Losses
- Balance Sheet
- The Cash Flow Statement.

Councillor Keith Lock queried whether any progress was being made in respect of school balances. Officers felt that it would be useful to invite the Head of Education to attend the next meeting to clarify this issue for Members.

RESOLVED that:

- 1. the financial statements be approved and signed by the Chairman of Governance and Audit and the S151 Officer;**
- 2. the Head of Education be invited to attend the next meeting to clarify the situation in respect of school balances.**

DRAFT**9. HEADS OF SERVICE ASSURANCE STATEMENTS.**

The Committee considered a report (Agenda Item 6) concerning a summary of the issues raised by Heads of Service in their Assurance Statements that support the Council's Annual Governance Statement. Charles Morris in introducing the report noted that all Heads of Service had completed their Assurance Statements. Each Head of Service was required to complete an Assurance Statement which then had to be countersigned by the relevant Corporate Director and Portfolio Holder. All 'red risks' were then captured on the associated service risk register and submitted to Assurance. A total of 27 red risks were identified, the largest number (8) were identified by ICT.

Members noted that the Strategic Risk Register was not a static document and was continually monitored and updated. Since the report had been compiled the number of red risks on the ICT register had decreased. Councillor Swift-Hook accepted that this was a live document but was concerned about the validity of the data presented in the report given that it was now out of date and requested that in future more up to date information was presented to this Committee. Officers accepted this comment but noted that the Committee was being asked to consider the process rather than the document itself.

Members requested that the Head of ICT be invited to attend the next meeting to discuss the ICT Risk Register and Action Plan.

Councillor Julian Swift-Hook was concerned about the rigidity of blanket statement 'Head of Service has identified all risks that may affect the delivery of the service plan objectives' set out in the Assurance Statement. Ian Priestley explained that the statement was deliberately draconian to ensure that the Heads of Service thought carefully about the content of the statement. The statements were not fixed and could be amended by Heads of Service as appropriate.

RESOLVED that:

- 1. the report be noted;**
- 2. the Head of ICT be invited to the meeting on the 07 September 2008 to discuss his Risk Register and Action Plan.**

10. ANNUAL GOVERNANCE STATEMENT – STATEMENT IN SUPPORT BY THE MONITORING OFFICER.

The Committee considered a report (Agenda Item 7) concerning evidence and independent verification of governance matters which may impact on the Annual Governance Statement from the viewpoint of the Monitoring Officer. Andy Day in introducing the report noted that the report related to the processes and procedures used in decision making by the Council and also related to the ethics and probity of decision making within the Council.

Andy Day, on behalf of the Monitoring officer, was pleased to note that no investigations were required under Section 5 of the Local Government and Housing Act 1989 (the 1989 Act).

The report also considered amendments made to the Constitution during 2008/09 where there were relatively few major changes. One of the most significant areas of work related to the changes that had been implemented following the changes to the regulations which allowed for local determination (by the Standards Committee) of complaints that District and Parish Councillors had breached the Code of

DRAFT

Conduct. This had resulted in a significant increase in workload for both Legal and Electoral Services and Policy and Communication.

Andy day reported that risk registers for the sub-groups of the West Berkshire Partnership were being developed and enhance governance arrangements were being out in place.

RESOLVED that the report be noted.

11. ANNUAL GOVERNANCE STATEMENT – STATEMENT IN SUPPORT BY THE SECTION 151 OFFICER.

The Committee considered a report (Agenda Item 8) concerning evidence and independent verification of governance matters which may impact on the Annual Governance Statement from the viewpoint of the Section 151 Officer. Simon Freeman in introducing the report noted that this statement would form the basis of the statement set out in the Statement of Accounts. The report articulated the role of the s151 Officer and Finance within the Council to ensure the delivery of adequate budget and policy requirements in managing the financial affairs of the Council and ensuring that legislative requirements were met.

Simon Freeman noted, on behalf of the S151 Officer, that all parts of the Council were acting in accordance with the budgetary and policy requirements in setting the budget and meeting the financial standards set in the relevant legislation.

RESOLVED that the report be noted.

12. ANNUAL GOVERNANCE STATEMENT.

The Committee considered a report (Agenda Item 9) concerning an Annual Governance Statement for the Council. Ian Priestley outlined the background to the report and the purpose of the governance framework.

Members requested that the following amendments be made to the Annual Governance Statement for the Year 2008-2009:

- Paragraph 3.1, ninth bullet point to be amended as follows: whistle-blowing ~~and~~ for receiving and investigating complaints from the public;
- Paragraph 5.2, second bullet point ‘This will shortly be approved by the Executive Committee’ to be amended to read ‘This will shortly be submitted to the Executive Committee for consideration’.

RESOLVED that the Annual Governance Statement be approved for signature by the Leader of the Council and the Chief Executive subject to the amendments set out above.

13. DATE OF NEXT MEETING.

The Committee noted the next meeting would take place on 7th September 2009 at 6.00pm.

(The meeting commenced at 6.00pm and closed at 6.50pm)

CHAIRMAN

Date of Signature: