

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Corporate Governance Committee held on  
Monday, 28 March 2011 at 10.00 a.m.

PRESENT: Councillor Peter Topping – Chairman

Councillors:	John Batchelor David McCraith	Douglas de Lacey John G Williams
Officers:	Adrian Burns Alex Colyer Adrian Burns	Head of Accountancy Executive Director, Corporate Services Head of Accountancy
External:	Neil Gibson Chris Harris Suzanne Lane	Audit Commission RSM Tenon RSM Tenon

Councillors Ray Manning and Tim Wotherspoon were in attendance by invitation.

Apologies for absence were received from Councillor Francis Burkitt .

### 34. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 35. MINUTES OF PREVIOUS MEETING

The Chairman was authorised to sign the minutes of the meeting held on 12 January 2011, subject to the following amendments:

Paul King and Neil Gibson from the Audit Commission to be added to the attendance list.

Para 27 – Amend title to read: Health and Safety – Tenant *Electrical* Safety Programme

Para 29 – Annual Audit Letter 2009/10 – in the fifth line, substitute the word *management* with *register*

Para 30 – Calculating audit fees – substitute the existing minute with ‘There was a general discussion on the calculation of fees and how they were implemented’.

Para 31 – Strategic Risk Register, first paragraph – substitute *20 January 2011* with *16 December 2010*

#### Matters Arising

#### Para 29 - Annual Audit Letter 2009/10 – Council’s use of natural resources

It was noted that a response from the Climate Change Working Group on how it considered the Council was going to meet its target regarding the use of natural resources was not included in the agenda items for the 28 March meeting as stated in the minutes. The Committee **AGREED** that the New Communities Portfolio Holder, responsible for Climate Change, be requested to produce a report for the next meeting. **Action: Cllr Dr David Bard / Richard Hales**

### 36. INTERNAL AUDIT QUARTERLY REPORT

Chris Harris, RSM Tenon presented the progress report, particularly highlighting the following:

- Ten reports had been finalised
- Four draft reports had been issued since the last meeting
- Two reports that were currently in progress would be completed this year
- That the majority of reports in Appendix A were either at Amber or Green Assurance level
- The information contained in Appendices B and C

As a result of the ensuing discussion, the following issues were raised:

### **Computer security**

It was confirmed that council laptops were not currently encrypted, however, future encryption was being considered. It was noted, however, that laptops were password protected and that documents should be saved to the Council's secure network rather than being stored locally.

It was reported that SCDC had been externally assessed by auditors appointed by the Department for Work and Pensions. This assessment showed that the Council had met all of the essential criteria of the Government's Code of Connection and was therefore deemed to be compliant with the Code. A number of recommendations for improving the Council's security infrastructure were made, however, and these were echoed in the internal audit report. The Executive Director explained that addressing these issues were a balance of risk, cost and functionality for end users. A pragmatic view had been taken to avoid overloading councillors with a complex method of accessing their computers. For future use, electronic training aids on computer security would be available for councillors and staff.

### **Environmental Health**

Confirmation was given by Suzanne Lane that the audit of NI182 (Satisfaction of business with local authority regulation services) was purely related to data accuracy.

### **Health and Safety – Tenant Electrical Safety Programme**

The Chairman requested an update on this subject and in response, it was noted that the Housing Management Team had recognised a weakness in that accurate recording of testing was not being maintained. Internal Audit were subsequently requested to provide recommendations on ways in which the recording could be improved and implemented. It was stressed that tenants had not been placed in danger as a result of the inaccurate recording practices.

At the request of the Chairman, he sought assurance via the Housing Portfolio Holder, for his meeting in September that this programme was being progressed appropriately and without risk to tenants.

*(Post meeting note: The three high-level recommendations made by the auditors have been actioned as follows:*

***Electrical wiring contract to be put out to tender.*** This work was started in June 2010 and completed in March 2011.

***Asset management system to identify details of most recent inspections.*** Actions required completed and operational since June 2010.

**Control mechanism needed to ensure entries on Asset management system are supported by test certificates.** Actions required completed and operational since June 2010.)

### **HR Absence Management**

At the suggestion of Chris Harris, the Committee would receive quarterly progress reports.

**Action: RSM Tenon to liaise with Alex Colyer**

As this was the last meeting that Chris Harris would be attending, the Chairman thanked him for his contribution and helpfulness in matters relating to this Committee and wished him well for the future.

It was noted that Suzanne Lane would continue to work with SCDC and that the outstanding tasks would be re-allocated amongst the remaining directors of RSM Tenon.

The Committee **NOTED** the Internal Audit Quarterly Report.

### **37. EXTERNAL AUDIT REPORTS - REPORTING OF 2009/10 CLAIMS CERTIFICATION WORK**

The Committee **NOTED** the letter from Debbie Hansen, District Auditor and in particular that as a result of claims submitted within the required timeframe and only two requiring minor amendment and one qualification letter issued, the cost of certification work had fallen to £37,000.

At the recommendation of the Leader, the Committee commended the staff involved for a job well done.

### **38. ANNUAL GOVERNANCE STATEMENT 2010/11**

Prior to consideration of this item, replacement copies of pages 39 to 48 of the agenda papers were circulated; these papers showed by way of tracked changes, recommendations from the Scrutiny and Development Officer for inclusion in the final report.

The Legal and Democratic Services Manager presented the report, stating that work had been undertaken with Internal Audit to gather assurances against the six core principles of corporate governance, with a particular focus on outcomes in each area, as requested by the Committee following last year's report. It was noted that the Internal Audit report for 2010/11 for inclusion in the Statement, had not yet been received and a correction was made to para 12 of the covering report to substitute 31 March with 28 March.

The Statement was commended to the Committee with particular attention drawn to para 6 which contained 9 recommendations that had been identified as meriting attention to further strengthen effective corporate governance.

One Member drew the Committee's attention to Principle 6, which related to the engagement with local people and other stakeholders and felt that not enough evidence had been shown that the Council was actively seeking comments, particularly from tenants and parish councils that did not attend the Parish Councils Liaison Meetings. In response, the Committee were informed that the Parish Council Liaison meetings were very well attended; all council meetings were publicised and open to the public to attend and they were able to witness the decision-making process.

Another Member was disappointed in the delay in approving the Gypsy & Traveller

Development Plan Document. The Committee were informed that the Council was awaiting government guidance before it could proceed further with the document.

The Chairman noted the adoption of the Gypsy & Traveller Community Strategy, which had been a great achievement and acknowledged the difficulty in communicating with hard to reach groups who either did not, or were unable to, access the Council's web site or attend meetings. It was an aspiration to overcome these difficulties.

The Committee

- (a) gave **DELEGATED APPROVAL** to the Chairman of the Committee to approve the draft Annual Governance Statement, subject to the following amendments:
  - (i) The Legal and Democratic Services Manager to use editorial judgement on the comments received from the Scrutiny Development Officer as detailed in the tabled Principle 4 to 6 amendments
  - (ii) The inclusion of additional information relating to Council aspirations regarding engagement with Tenants, Parish Councils and Hard to Reach groups
- (b) **NOTED** that the final version of the Statement will be updated between 28 March 2011 and the approval of the final accounts.
- (c) **NOTED** the progress made to address the governance issues identified in the Annual Governance Statement for 2009/10.

### 39. RISK MANAGEMENT STRATEGY

The Committee were requested to consider the report to approve the draft Risk Management Strategy.

The Executive Director, Corporate Services informed the meeting that the updated draft strategy reflected recommendations made by internal audit, in particular, that risk registers should distinguish between sources of assurance and control measures.

While this had been accepted by officers, the additional recommendation that these should be set out in separate columns in risk registers was felt to add too much complexity to the process but the Committee was invited to express its view. This approach was supported by the Committee.

The Committee was also asked to consider whether it still wished to receive the reports and minutes of the Executive's consideration of the Strategic Risk Register and, if so, on what frequency.

The Committee, having discussed the recommendations

- (a) **AGREED** to receive the Northstowe Portfolio Holder's review and approval of the Council's Strategic Risk Register at the September 2011 meeting and to consider whether future monitoring was required, and
- (b) **APPROVED** the revised Risk Management Strategy, as set out at Appendix B of the report.

### 40. STRATEGIC RISK REGISTER: QUARTERLY MONITORING

A coloured version of Appendix A was circulated at the meeting.

The Committee discussed the particular areas of concern, and noted the following:

**Welfare Reform** – it was anticipated that the risk score would be reduced  
**Job Evaluation Scheme** – will be presented for consideration by Council on 14 April 2011  
**Supported Housing** – awaiting confirmation from the County Council on the level of funding

The Committee **NOTED** the Northstowe Portfolio Holder's quarterly review and approval of the Strategic Risk Register.

#### 41. **MATTERS OF TOPICAL INTEREST**

##### **Statement of Accounts**

The Head of Accountancy reported that as the Chief Finance Officer now had the power to sign-off the statement of accounts, there was no longer a requirement for presentation of the accounts to the Corporate Governance Committee by 30 June 2011. He suggested that, for accounting purposes and preparation of reports, the proposed date of the next meeting be amended to 8 July.

The Executive Director, Corporate Services and Chief Finance Officer stated that he would prefer the Committee to maintain the endorsement of the Statement of Accounts, and that he would discuss with the Chairman of the Committee and the Head of Accountancy the implications of the next meeting if held on 8 July.

##### **Audit Commission**

Paul King reported that the timetable regarding the abolition of the Audit Commission was still unclear. A Select Committee meeting would be held on 4 April 2011 with CLG ministers in attendance to give evidence. A consultation document would follow regarding the arrangements before legislation was passed for approval by Parliament.

##### **Fees**

Paul King reported that the basis of fees for 2011/12 had been announced, with the potential for further rebates to be confirmed in the summer. Further reductions in 2012/13, however, would depend upon the parliamentary timetable for the abolition of the Audit Commission.

#### 42. **DATE OF NEXT MEETING**

The Committee **AGREED** the following dates for future meetings:

- Thursday, 30 June 2011 at 9:30am
- Friday, 30 September 2011 at 9:30am
- Friday, 16 December 2011 at 9:30am
- Friday, 30 March 2012 at **2pm**

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**The Meeting ended at 12.00 p.m.**

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