

Supplementary Committee Agenda



**Epping Forest
District Council**

Audit and Governance Committee Monday, 22nd June, 2009

Place: Committee Room 1, Civic Offices, High Street, Epping

Time: 7.00 pm

Democratic Services: Gary Woodhall
Tel: 01992 564470
email: gwoodhall@eppingforestdc.gov.uk

6. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs (6) and (24) of the Council Procedure Rules contained in the Constitution require that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

In accordance with Operational Standing Order 6 (Non-Executive Bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks notice of non-urgent items is required.

6.a CORPORATE GOVERNANCE GROUP - 17 MARCH 2009 (Pages 3 - 6)

(Director of Finance & ICT) To consider the minutes of the meeting of the Corporate Governance Group held on 17 March 2009.

6.b CORPORATE GOVERNANCE GROUP - 15 APRIL 2009 (Pages 7 - 12)

(Director of Finance & ICT) To consider the minutes of the meeting of the Corporate Governance Group held on 15 April 2009.

6.c CORPORATE GOVERNANCE GROUP - 13 MAY 2009 (Pages 13 - 16)

(Director of Finance & ICT) To consider the minutes of the meeting of the Corporate Governance Group held on 13 May 2009.

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**EPPING FOREST DISTRICT COUNCIL
CORPORATE GOVERNANCE GROUP MEETING**

**TUESDAY, 17 MARCH 2009
(9.00 - 10.30 AM)**

Present: P Haywood (Chief Executive), C O'Boyle (Director of Corporate Support Services), R Palmer (Director of Finance and ICT), D Macnab (Deputy Chief Executive), I Willett (Assistant to the Chief Executive) and J Akerman (Chief Internal Auditor)

**Apologies for
Absence:**

Place: Room 1.29, 323 Building, Civic Offices, High Street, Epping

131. MINUTES OF THE PREVIOUS MEETING - 4.3.09

Agreed subject to the following amendments:

(a) Minute 115(a) Matters Arising – Internal Audit Monitoring Report

To read as follows: "Noted that Bank account mandates requested from the Council's Relationship Manager had now been received."

(b) Minute 120 (Use of Resources – Key Lines of Enquiry 2007/08)

Amend to read: "PKF" not "KPF" and amend Action Note to refer to R Palmer instead of J Akerman.

(c) Minute 124 (Effectiveness of Arrangements for Risk Management)

Amend reference to "Finance and Performance Management Cabinet Committee" to read: "Audit and Governance Committee".

132. MATTERS ARISING

(a) Minute 120 (Use of Resources – Key Lines of Enquiry 2007(8))

Noted that the report had been submitted to the Finance and Performance Management Cabinet Committee and had been accepted.

(b) National Fraud Initiative – Progress Report (Minute 127)

Noted that the transfer of Council Tax data had now been carried out and that matches were awaited from the Audit Commission.

133. DECLARATIONS OF INTEREST

None for this meeting.

134. TERMS OF REFERENCE

Noted.

135. ANNUAL AUDIT AND INSPECTION LETTER 2007/8

Noted that the draft annual audit and inspection letter had been received from the Audit Commission and that the Council is being invited to comment prior to publication.

Agreed that the contents of the letter be approved subject to further representations being made regarding the section on the environmental inspection which was considered not to relate in a logical way to the other sections of the letter, and did not represent the current position of the Council.

Agreed that the section on the environmental inspection should be included as an Appendix and cross-referenced with the Direction of Travel section.

ACTION:

P Haywood to pursue.

136. GOVERNANCE STATEMENT 2008/9

Draft agreed subject to adding actions from the audit inspection in paragraph 7.

Noted that update was awaited from Directors in respect of paragraph 7 and that D Macnab would follow up on this.

ACTION:

J Akerman to pursue.

D. Macnab to remind Directors

Service Directors to respond regarding paragraphs 7 of the Statement.

137. ELECTIONS 2009 - FUNDING OF POSTAL VOTE VERIFICATIONS

Noted that a new Government funding regime was being introduced for 2009 in regard to election costs.

Noted that the Treasury might insist that funding for postal vote verifications might be restricted to the statutory minimum of 20% rather than the normal 100% verification.

Agreed that until election costings were clear there was no benefit in submitting a report to the Cabinet at this stage regarding any shortfall of funding from the Government or the County Council in relation to the elections.

Agreed that, in principle, CGG supported the continuation of 100% verification of postal votes and that the Returning Officer should carefully examine working arrangements so as to achieve cost efficiencies where possible to assist with accommodating all costs within the Government's allocated budget.

Agreed that the County Council should be approached for their view on the policy to be adopted in terms of verification of postal votes.

ACTION:

I Willett to pursue.

138. ELECTORAL REGISTRATION

Noted that 55 multiple registrations had been requested in respect of one address in the District and that similar applications had been received by a number of local authorities nationally.

Noted that the matter was being discussed with the Electoral Commission and Police co-ordinators.

ACTION:

I Willett to pursue.

139. STANDARDS COMMITTEE

(a) Complaint Assessments

Noted that at the Assessment Sub-Committee on 13 March 2009, Complaints 1 - 4/2009 had been considered of which one case had been referred to the Monitoring Officer for investigation and a second referred to the Standards Board for England.

Noted that one further application (5/2009) was due to be considered at a further Assessment Sub-Committee to be held on 3 April 2009.

(b) Adjudications

Noted that the adjudication on Complaints 1 and 3/2008 was due to take place at a Hearings Sub-Committee meeting due to take place on 31 March 2009.

140. DATES FOR FUTURE MEETINGS

15 April 2009 – C O'Boyle apologies.

13 May 2009 – P Haywood apologies (D Macnab to Chair)

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**EPPING FOREST DISTRICT COUNCIL
CORPORATE GOVERNANCE GROUP MEETING**

**WEDNESDAY, 15 APRIL 2009
(9.00 - 10.35 AM)**

- Present:** D Macnab (Deputy Chief Executive), R Palmer (Director of Finance and ICT), J Akerman (Chief Internal Auditor) and I Willett (Assistant to the Chief Executive)
- Apologies for Absence:** P Haywood (Chief Executive) and C O'Boyle (Director of Corporate Support Services)
- Place:** Room 1.05, First Floor, Civic Offices, High Street, Epping, Essex
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141. MINUTES OF THE PREVIOUS MEETING - 17.3.09

Agreed.

142. MATTERS ARISING

None for this meeting.

143. DECLARATIONS OF INTEREST

None for this meeting.

144. TERMS OF REFERENCE

Noted.

145. CHIEF INTERNAL AUDITOR

Noted that an advertisement had been published in respect of filling the vacancy for Chief Internal Auditor which would occur from 20 April 2009 and that to-date two applications had been received.

Noted that relevant recruitment agencies were being approached in order to create a longer shortlist of applicants.

Agreed that assistance be sought from the Essex Human Resources Partnership if appropriate.

Noted that J Akerman would be leaving the Council's service on 17 April 2009 but would subsequently be employed on a temporary part-time basis for 2½ days a week, two of which would be at the Civic Offices, pending the appointment of a successor.

Noted that until the new Chief Internal Auditor was appointed J Akerman would continue as a CGG member.

Noted that a further vacancy in Internal Audit would occur shortly but at the present time discussions with the Leader of Council concerning approval to fill were pending.

Agreed that J Akerman's past service to the Corporate Governance Group and its best wishes for the future be recorded.

ACTION:

P Haywood/J Akerman to make arrangements for discussion with the Leader of the Council concerning the filling of the Auditor position.

P Haywood/J Akerman to arrange meeting with Leader of the Council.

146. AUDIT COMMISSION INSPECTION FEE - 2009/10

Noted that a letter had been received from the Audit Commission Comprehensive Area Assessment Lead regarding the annual inspection fee for 2009/10.

Noted that the total fee was £9,152 which compared with £6,569 for 2008/09.

Noted that when the full service inspection for Waste Management had taken place the fee charged had been £13,000 approximately for the year in question.

Agreed that the Audit Commission be asked to give a clearer analysis of how the proposed fee for 2009/10 had been arrived at bearing in mind that the matter was to go before the Audit and Governance Committee at its next meeting.

Agreed also that the Audit Commission should explain why there was a 40% increase in the inspection fee in comparison with 2008/09 and how the increase was justified.

ACTION:

R Palmer to discuss with Audit Commission.

147. REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT - DRAFT REPORT TO AUDIT AND GOVERNANCE COMMITTEE (22 JUNE 2009)

Agreed that the Chief Internal Auditor consider the following suggested changes:

(a) Paragraph 16 – include reference to the method for consulting client services in respect of Internal Audit, conducted independently of Internal Audit itself;

(b) Paragraph 19 – add a comment regarding the percentage completion of Audits for 2008/09, a percentage of 95% which was the best for the last 4 years;

(c) Paragraph 13 – cross reference with the annual report of Internal Audit.

ACTION:

J Akerman to pursue.

148. INTERNAL AUDIT - ANNUAL REPORT

Agreed that J Akerman consider the following changes:

- (a) Paragraph 2.2 – re-write to reflect the position as at 31 March 2009;
- (b) Paragraph 6.10 – make reference to the recent update of the User Guide relating to Financial Regulations, clarify references to the Intranet and staff access and include reference to the total number of staff who had attended training courses in Contract Standing Orders, Budget Processes and Financial Regulations;
- (c) Paragraph 10.4 – make reference to the improving trend in the average number of days it takes to complete an Internal Audit Investigation and amend “2007/08” to “2008/09”;
- (e) Paragraph 10.6 – add reference to the Satisfaction Survey.

ACTION:

J Akerman to pursue.

149. DRAFT ANNUAL GOVERNANCE STATEMENT 2008/9

Agreed that the following changes be made to the present draft of the Governance Statement:

- (a) Paragraph 4.3 – consider deleting this section as it may relate to the previous year;
- (b) Paragraph 7.6/7.7 – review content of these two paragraphs in relation to the previous section of the report to be re-named “Service Issues and Improvements”;
- (c) Paragraph 7.6.1 – “Healthier”;
- (d) Paragraph 7.6.8 - amend to refer to “Service Improvements”;
- (e) Paragraph 7.7.9 – delete “again” and substitute “a Service Plan”;
- (f) Paragraph 7.7.11 – include effect of installation of tracking devices in fleet vehicles;
- (g) Paragraph 7.7.8/7.7.14 – clarify references to “staff”.

Agreed that the Directors of Housing, Corporate Support Services and Environment and Street Scene be asked to forward their sections of the Governance Statement as soon as possible.

Agreed that the final draft of the Governance Statement be submitted to the CGG meeting on 13 May 2009.

ACTION:

- (1) Directors of Housing, Corporate Support Services and Environment and Street Scene to pursue.**
- (2) J Akerman to consider other suggested changes to the current draft and report back to the next CGG with a revised version.**

150. ISO260 (2007/08) - ACTION PLAN MONITORING SCHEDULE

Latest Action Plan Monitoring Schedule noted.

Noted that there continued to be problems with notifications of starters and leavers although steps have been taken to integrate notifications to ICT and HR for updating purposes.

Agreed that there were still a recognisable need to improve the information being provided to ICT and HR from Directorates both in terms of timeliness and accuracy.

Agreed that current findings indicated that not all Directorates were fully engaged in the process of achieving assurance as to the proper control of income and debtors and that this continued to be seen as a function for Finance/Legal Services when in fact it was a service responsibility.

Agreed that this issue continued to be monitored by Internal Audit and an item placed on the next CGG agenda to review progress.

ACTION:

(1) **J Akerman to consider changes to the Monitoring Schedule.**

(2) **J Akerman to monitor income/debtor control.**

(3) **Service Directors to note.**

151. WORKING GROUP ON CONTRACT STANDING ORDERS, FINANCIAL REGULATIONS AND OFFICER DELEGATION (20.2.09 AND 16.3.09)

Recommendations agreed.

Agreed that in relation to Minute 8 of the meeting on 20 February 2009, I Willett should write to the Leader of Council to explain the legal difficulties with the proposed 10% discretion for lowest firms in tendering and also notify the Task and Finish Panel which had been established by the Local Strategic Partnership to deal with matters arising from the adverse economic conditions which currently prevailed.

Action:

I Willett to pursue.

152. ELECTION FUNDING - POSTAL VOTE VERIFICATIONS

Noted that in further discussions between the Ministry of Justice and the Treasury it had now been agreed to fund 100% postal vote verifications for the elections to be held on 4 June 2009.

153. STANDARDS COMMITTEE

(a) Complaint Assessments

Noted that one recent complaint had been referred for investigation and discussions were in hand to engage an external investigator for this purpose.

Noted that one previous assessment finding that a complaint should not be the subject of an investigation was now the subject of an appeal against that ruling which would be considered shortly.

Noted that all other complaints referred to the Assessment Sub-Committee had not been referred for investigation.

(b) Adjudications

Noted that an adjudication had been held in respect of two complaints recently and that these had resulted in a finding of no breach of the code.

Noted that a further complaint which had been investigated externally would now be referred for adjudication on a date to be agreed.

154. CENSUS

Noted that the Regional Returning Officer had been appointed by the Government as Census Champion for the Eastern Region and had convened a preliminary meeting to be held at Newmarket Racecourse on 27 April 2009.

Agreed that, if this were a race day, CGG's advice to the Returning Officer was that there should be no attendance but that if this was not a race day, he should consider the appropriateness and benefit of attending the venue.

ACTION:

I Willett to pursue and notify CGG of outcome.

155. DATE OF NEXT MEETING

13 May 2009 at 9.00 a.m. in the Chief Executive's Office.

Agreed that a full programme of meetings for the remainder of 2009 be submitted to that meeting.

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EPPING FOREST DISTRICT COUNCIL CORPORATE GOVERNANCE GROUP MEETING

WEDNESDAY, 13 MAY 2009
(9.10 - 9.45 AM)

Present: D Macnab (Deputy Chief Executive), J Akerman (Chief Internal Auditor), C O'Boyle (Director of Corporate Support Services), R Palmer (Director of Finance and ICT) and G J Woodhall (Democratic Services Officer)

Apologies for Absence: P Haywood (Chief Executive) and I Willett (Assistant to the Chief Executive)

Place: Deputy Chief Executive's Office (Room 1.05)

1. MINUTES OF THE PREVIOUS MEETING - 15.4.09

Agreed.

Noted that minute 150 should have been entitled "ISA260...", not "ISO260...".

2. APOLOGIES FOR ABSENCE

As above, noted that D Macnab would chair the meeting and G J Woodhall would deputise for I Willett.

3. MATTERS ARISING

(a) Minute 146 – Audit Commission Inspection Fee for 2009/10:

Noted that B Palmer had circulated a revised letter from the Audit Commission regarding the Council's annual inspection fee for 2009/10, which would be submitted to the next meeting of the Audit & Governance Committee.

Noted that although the overall fee had remained the same, the Council was expected to pay a greater proportion of it, hence the increase from £6,569 to £9,152.

(b) Minute 154 – Census:

Noted that the preliminary meeting at Newmarket Racecourse had not coincided with a race day, but I Willett had not attended due to other work commitments.

4. DECLARATIONS OF INTEREST

None for this meeting.

5. TERMS OF REFERENCE

Noted.

6. CORPORATE RISK REGISTER

Noted that no changes had been forthcoming from either Management Board or the

Risk Management Group.

Noted that the Register required updating for the new Executive Priorities for 2009/10 prior to being considered by the Finance & Performance Management Cabinet Committee on 15 June 2009.

ACTION:

B Palmer to pursue.

7. ANNUAL GOVERNANCE STATEMENT 2008/09

Noted that a full set of contributions had now been received from Directors.

Noted the Action Plan tabled at the meeting to address the Internal Control Issues in section 7.7.

Agreed that the following changes be made to the current draft of the Governance statement:

- (i) Section 3 – amend references to ‘EFDC’ to either ‘The Council’ or ‘The Authority’;
- (ii) Paragraph 3.2 – amend second sentence to read “There are Standing Scrutiny Panels to cover key policy areas with Task & Finish Panels to undertake specific reviews, as well as a coordinating Overview Scrutiny Committee.”;
- (iii) Paragraph 3.2 – delete final sentence;
- (iv) Paragraph 4.1 – amend “Section 151 Officer” to “Chief Finance Officer”;
- (v) Paragraph 4.3 – delete paragraph as this was an action for last year;
- (vi) Paragraph 5.1 – amend “2008/9” to “2008/09”;
- (vii) Paragraph 6.2 – amend “the Plan” to “the Council Plan”;
- (viii) Paragraph 6.2 – amend the last sentence to “The Council Plan is monitored by the Finance & Performance Management Scrutiny Panel and is due to be updated in 2009/10.”;
- (ix) Paragraph 6.4 – add the annual reviews referenced in paragraph 7.6.11;
- (x) Paragraph 7.5 – First bullet point, Waste Management Action Plan also monitored by the Safer Cleaner Greener Scrutiny Panel;
- (xi) Paragraph 7.6.2 – refer to the Disability Involvement Forum;
- (xii) Paragraph 7.6.2 – last sentence, “...the formal decision-making...”;
- (xiii) Paragraph 7.6.4 – remove the rest of the second paragraph after “...in the summer of 2008.”;
- (xiv) Paragraph 7.6.6 – add a sentence concerning the consultation undertaken with the Gypsy & Traveller community;

- (xv) Paragraph 7.6.8 – delete paragraph;
- (xvi) Paragraph 7.6.11 – delete paragraph as already covered in paragraphs 6.3 & 6.4;
- (xvii) Paragraph 7.6.12 – add a comment to reflect the amount of Housing & Planning Delivery Grant obtained by the Council for 2009/10;
- (xviii) Paragraph 7.6.17 – delete paragraph;
- (xix) Paragraph 7.6.18 – delete paragraph as also covered in paragraph 7.7.9;
- (xx) Paragraph 7.6.19 – delete paragraph;
- (xxi) Paragraph 7.6.26 – delete the quote from the NHF; and
- (xxii) Paragraph 7.6.27 – delete paragraph.

Agreed that the final draft of the Governance Statement be submitted to the Audit & Governance Committee on 22 June 2009.

ACTION:

J Akerman to pursue.

8. STANDARDS COMMITTEE

Noted the Cases Listing & Progress Report for the Assessments Sub-Committee in 2008/09.

Noted the concerns of the Monitoring Officer regarding the expense involved in launching investigations using external investigators; fees of £800 per day were common, and the budget for the whole year was only £5,400.

Amending paragraph 5.13 (d), "...insulted..." should read "...resulted...".

Agreed that a report should be submitted to the next meeting of the Local Council's Liaison Committee on 15 July 2009 highlighting the number of complaints currently being generated by Parish Councils, as stated in paragraphs 5.13 (g) and (h) of the Annual Report.

Highlight both in paragraph 6.2 and at the next meeting of the Local Council's Liaison Committee that the scheduled training course on the complaints process could also be attended by Town and Parish Councillors as well.

Agreed the Annual Report for submission to the next meeting of the Standards Committee prior to its consideration by the Council.

ACTION:

C O'Boyle & I Willett to pursue.

9. ISA260 ACTION PLAN

Noted the ISA260 Action Plan and the additional actions that had been added as a result of the discussion at the previous meeting.

Agreed that the Council should be pro-active and forward the Action Plan to the External Auditors prior to the commencement of their Audit.

ACTION:

B Palmer to pursue.

10. DATE FOR FUTURE MEETINGS

Noted the schedule of meetings for 2009/10.

Welcomed the change to the programme whereby CGG meetings would not take place on the same day as Management Board meetings.