

## **EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES**

**Committee:** Audit and Governance Committee    **Date:** 30 November 2009

**Place:** Committee Room 1, Civic Offices,    **Time:** 7.00 - 7.45 pm  
High Street, Epping

**Members Present:** A Green (Chairman), Mrs M Peddle (Vice-Chairman), Mrs A Haigh, A Watts and R Thompson

**Other Councillors:** Mrs D Collins, C Whitbread and D Stallan

**Apologies:**

**Officers Present:** R Palmer (Director of Finance and ICT), B Bassington (Chief Internal Auditor), J Gilbert (Director of Environment and Street Scene), C O'Boyle (Director of Corporate Support Services), J Preston (Director of Planning and Economic Development), S Mitchell (PR Website Editor), P Seager (Chairman's Secretary) and G J Woodhall (Democratic Services Officer)

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**33. WEBCASTING INTRODUCTION**

The Chairman reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

**34. DECLARATIONS OF INTEREST**

There were no declarations of interest pursuant to the Council's Code of Member Conduct.

**35. MINUTES**

**RESOLVED:**

That the minutes of the meeting held on 24 September 2009 be taken as read and signed by the Chairman as a correct record.

**36. MATTERS ARISING**

There were no matters arising from the previous meeting for the Committee to consider.

**37. CORPORATE GOVERNANCE GROUP - 9 SEPTEMBER 2009**

The Director of Finance & ICT presented the minutes from the meeting of the Corporate Governance Group held on 9 September 2009. The Committee's attention was drawn to the topics of discussion and actions arising from the meeting.

**RESOLVED:**

That the minutes of the meeting of the Corporate Governance Group held on 9 September 2009 be noted.

**38. CORPORATE GOVERNANCE GROUP - 30 SEPTEMBER 2009**

The Director of Finance & ICT presented the minutes from the meeting of the Corporate Governance Group held on 30 September 2009. The Committee's attention was drawn to the topics of discussion and actions arising from the meeting.

In respect of the Use of Resources Assessment considered by the Group, further discussions had taken place with the External Auditor and reported at the next meeting of the Group.

**RESOLVED:**

That the minutes of the meeting of the Corporate Governance Group held on 30 September 2009 be noted.

**39. CORPORATE GOVERNANCE GROUP - 28 OCTOBER 2009**

The Director of Finance & ICT presented the minutes from the meeting of the Corporate Governance Group held on 28 October 2009. The Committee's attention was drawn to the topics of discussion and actions arising from the meeting.

The Director of Finance & ICT advised the Committee of the Terms of Reference for the Corporate Governance Group, and stated that the Group was active in clearing and initiating reports for the consideration of the Committee. The Chairman added that the Committee could ask the Group to produce reports upon items of interest in the future.

**RESOLVED:**

That the minutes of the meeting of the Corporate Governance Group held on 28 October 2009 be noted.

**40. AUDIT COMMISSION - NATIONAL LOCAL GOVERNMENT STUDIES**

The Chairman presented a report regarding National Local Government Studies published by the Audit Commission.

Details were provided of the recent National Local Government Studies published by the Audit Commission, that were relevant to the Council's areas of service provision. The Executive Study of each report had been attached to the agenda, with a link to download the full report.

In respect of the 'Building Better Lives: Getting the Best from Strategic Housing' report, the Housing Portfolio Holder reported that the Council operated the Careline service in partnership with the County Council for non Epping Forest residents, and that the Council would sign Section 106 Agreements with the County Council for large Planning Applications to provide contributions for educational or highways needs when requested. The Leader of the Council added that new buildings had been provided at Epping Primary School in conjunction with the County Council, although there had been no applications for the key worker housing scheme, as eligible staff tended to want to get on the Housing ladder as quickly as possible.

When questioned about the checklist within the 'Protecting the Public Purse: Local Government Fighting Fraud' report, the Chief Internal Auditor reported that the Council's checklist was more comprehensive than the example given and that the Committee could consider it at its next meeting.

The Committee felt that the report did not go far enough as there were no follow-up actions for the Committee to consider. It was agreed that the Corporate Governance Group should consider these reports from the Audit Commission and report to the Committee on any possible action arising from the report.

**RESOLVED:**

- (1) That the following National Reports relevant to the Council's areas of service provision published by the Audit Commission be noted:
  - (a) 'Protecting the Public Purse: Local Government Fighting Fraud';
  - (b) 'Building Better Lives: Getting the Best from Strategic Housing'; and
  - (c) 'Lofty Ambitions: The Role of Councils in Reducing CO2 Emissions';
- (2) That the Council's version of the checklist contained within the 'Protecting the Public Purse: Local Government Fighting Fraud' report be considered by the Committee at a future meeting; and
- (3) That the National Local Government Studies published by the Audit Commission be considered by the Corporate Governance Group and any possible actions arising from these reports be reported to the Committee.

**41. ROLE OF THE MONITORING OFFICER - DRAFT PROTOCOL**

The Director of Corporate Support Services presented a report concerning a draft protocol for the role of Monitoring Officer. At the Committee's previous meeting, a report had been requested regarding the need for a Protocol between the Council and the Monitoring Officer, which would define the roles and responsibilities of that statutory position with a view to managing the relationship between the authority and the Monitoring Officer on a mutually agreed basis. The proposed protocol before the Committee had been based upon the statutory requirements of Section 5 of the Local Government and Housing Act 1989, advice from the Audit Commission, and examples of good practice obtained from other Councils.

The Committee generally felt that the protocol was a little too personal to the current post holder, it assumed the Director of Corporate Support Services would always be the Monitoring Officer, and it should be made a little more generic, whilst it was felt that the wording in paragraph (I) within the Working Arrangements section should be reviewed. Concerns were also expressed about a possible lack of protection for the Monitoring Officer if their report was considered in part II of the meeting and Officers were asked to leave the meeting along with the public and press.

The Director of Corporate Support Services acknowledged that the Monitoring Officer in future might not have a legal background, however it would still be the Monitoring Officer giving the advice to the Council even if the advice was directly obtained from another Officer. It was added that if the Council did not heed the advice of the Monitoring Officer then their duty had been fulfilled, but the Council was legally obliged to receive the report of the Monitoring Officer. It was also emphasised that a confidential minute could be produced by senior Democratic Services Officers for any

confidential Monitoring Officer report considered by the Council, even if the minute was not published for public inspection. The Director agreed to review the wording of paragraph (l) within the Working Arrangements.

The Committee agreed to request the Constitution & Member Services Scrutiny Panel to consider the Committee's comments, and whether the protocol should be adopted for inclusion with the Council's constitution.

**RESOLVED:**

- (1) That the draft Monitoring Officer protocol be considered by the Constitution & Member Services Scrutiny Panel for adoption by the Council; and
- (2) That the following comments of the Committee also be considered by the Scrutiny Panel:
  - (a) the protocol to be made less personal to the current post holder;
  - (b) paragraph (l) of the Working Arrangements to be amended such that the Monitoring Officer would "give any advice considered appropriate in the circumstances to Members and Officers as necessary..."; and
  - (c) a proper record to be kept of any Monitoring Officer reports considered by the Council when the public & press have been excluded from the meeting.

**42. COUNTY AND EUROPEAN PARLIAMENT ELECTIONS - JUNE 2009**

The Committee received a report from the Returning Officer regarding the European Parliament and County Council Elections held in June 2009.

The Committee had requested at its last meeting (minute 22 refers) a report concerning the unauthorised flyposting of election posters at various locations on election day. The report outlined the options to deal with flyposting, these being either: invoking the Town & Country Planning Act 1990 but this would require the Council to give two days notice to the responsible person or organisation; or encouraging the County Council as the Highways Agency to use the powers under the Highways Act 1990 to remove the posters immediately. The Director of Environment & Street Scene added that attempts were being made to get the County Council to delegate its powers to remove posters to the District Council. It was confirmed that under the Town & County Planning Act 1990, posters could still be removed immediately if no planning application had been made and the identity of the transgressor was still not known after reasonable enquiries had been made.

**RESOLVED:**

- (1) That the report on the outcome of flyposting of election literature on election day be noted; and
- (2) That the action that can be taken by the Council if this situation recurs be noted.

**43. Q2 INTERNAL AUDIT MONITORING REPORT 2009/10**

The Chief Internal Auditor presented the Internal Audit Monitoring Report for the second quarter of 2009/10, along with the Work Plan for the third quarter of 2009/10 and the current Audit Plan Status Report for 2009/10. The Chief Internal Auditor

reported that sickness within the Internal Audit Unit during the second quarter of 2009/10 had amounted to 26 days, in comparison with 20, 18 and 6 days respectively in the three preceding quarters. The Committee noted again that one member of the team was suffering from a long-term illness, and that sickness for the whole team continued to be managed in accordance with the Council's Management of Absence policy.

The Chief Internal Auditor advised the Committee of the audit reports that had been issued during the second quarter:

- (a) Substantial Assurance:
  - Housing Maintenance Contracts; and
  - National Non Domestic Rates.
- (b) Satisfactory Assurance:
  - Bank Reconciliation;
  - Fleet Operations;
  - Grants to Voluntary Organisations;
  - Licensing Administration;
  - Licensing Enforcement; and
  - Waltham Abbey Sports Centre.
- (c) Limited Assurance:
  - Building Control;
  - Car Parking; and
  - Pest Control.

No reports had been issued without any assurance. The Chief Internal Auditor highlighted the audits that had been issued with Limited Assurance and added that, while none of these audits were related to fundamental financial systems, two of the audits were significant income streams for the Council. Further spot checks would be undertaken on Travel Expenses as well as Gifts & Hospitality.

The Committee's attention was drawn to the Priority 1 Actions Status report, and the Limited Assurance Audit Follow Up Status report. The Council's main financial systems would all be audited during 2009/10, and the External Auditor would ascertain whether any reliance could be placed on the work of the Internal Audit Unit. It was also noted that the Action Plan arising from the Annual Governance Statement had been appended to allow the Committee to monitor progress against the targets.

The Chief Internal Auditor reported upon the current status of the Internal Audit Unit's Local Performance Indicators for 2009/10.

• % Planned Audits Completed	Target 45%	Actual 37%;
• % Chargeable Staff Time	Target 72%	Actual 64%;
• Average Cost per Audit Day	Target £320	Actual £336; and
• % User Satisfaction	Target 85%	Actual 93%.

Three of the targets had not been met by the Internal Audit Unit due to the vacancy of the part-time Auditor position and the increased sickness levels, however it was envisaged that all the targets would be achieved by the end of the year. Recruitment was taking place to fill the vacancy, and a contract had been signed with Deloitte to work with the Internal Audit Unit, mainly performing ICT and Financial audits.

Regarding the limited assurance audits for Car Parking and Pest Control, the Director of Environment & Street Scene assured the Committee that there was very little financial risk involved to the Council. All the recommendations from the audit report for Car Parking had been implemented. There were still issues to resolve from the Pest Control contractor going into administration but the Council had received £14,000 of outstanding monies. All procedures in respect of Pest Control were being reviewed, and the Contractor was now collecting monies from customers in an effort to speed up the collection of fees.

The Director of Planning & Economic Development stated that Building Control was a ring-fenced account that had been in profit in the past despite its current deficit. Corrective action was being undertaken, and it was acknowledged that debt monitoring had been poor in the past. Consultants had been necessary in the past and following a review of procedures, it was felt that the Council was now achieving value for money from its consultants.

The Chief Internal Auditor was complimented upon the measures that had been taken to tackle the staffing issues within the Internal Audit Unit, whilst the Chairman commented that the responses from the relevant Directors regarding the Limited Assurance audits had been encouraging.

**RESOLVED:**

- (1) That the following issues arising from the Internal Audit Monitoring Report for the second quarter of 2009/10 be noted:
  - (a) the Audit reports issued between July and September 2009 and significant findings therein;
  - (b) the Priority 1 Actions Status Report;
  - (c) the Limited Assurance Audit Follow-Up Status Report;
  - (d) the Internal Audit Work Plan for October to December 2009;
  - (e) the Audit Plan Status Report 2009/10; and
  - (f) the Governance Statement Action Plan for 2008/09; and
- (2) That the Committee's satisfaction with the effectiveness of the work of Internal Audit during the second quarter of 2009/10 be confirmed.

**CHAIRMAN**