

GOVERNANCE COMMITTEE

24 NOVEMBER 2015

Present :- Councillor Cyril Liddy (Chairman)
Councillors Julia Havis, Jo Hayes, Peter Higgins and Fiona Maclean

Substitute Members :- Councillor Dennis Willetts for Councillor Chris Arnold

Also present: Councillor G.Oxford

25. Minutes

The minutes of the meeting held 13 October 2015 were confirmed as a correct record.

26. Work Programme

Councillor Liddy introduced to the Work Programme for 2015/16.

The Committee noted that items on Gifts and Hospitality and Member/Officer Protocol would be brought to the January meeting of the Governance Committee.

RESOLVED that:

- (a) An item on Gifts and Hospitality, and an item on the Member/Protocol be brought to 19 January 2016 Governance Committee.
- (b) The Work Programme be noted.

27. Councillor Code of Conduct Training – Update Report

The Governance Committee received an update to confirm that all members who had required Members Code of Conduct training as a result of the decision at the previous Governance Committee had now received that training.

The Committee discussed whether all Colchester Borough Councillors should be required to undertake mandatory code of conduct training. Councillors also requested that training attendance that is still relevant be uploaded on to the Colchester Borough Council website. The Committee were also made aware of a scheduled induction day on 12 May for new Councillors after the election which will include Code of Conduct training. Some members of the Committee raised concerns that Councillors should not be restricted from sitting on those Committees that were not quasi-judicial if they have not completed the training.

The Chief Operating Officer stated that a proposal to look at whether Code of Conduct training should become mandatory for all Councillors could be looked at in detail by the Member Development Group.

Councillor Oxford attended the meeting and, with consent of the Chairman, stated that as a member of the Member Development Group they have been looking at

mandatory training and working with Essex County Council to share training expertise.

RESOLVED that;

- (a) The Governance Committee request the Member Development Group to look into compulsory training for Councillors.
- (b) The Councillor Code of Conduct Training – Update Report be noted.

28. Annual Audit Letter

Debbie Hanson, Ernst and Young, introduced the Annual Audit Letter to the Governance Committee. The report requests that the Committee consider and note the contents of the 2014/15 Annual Audit Letter, and the notification of a variation to the final fee.

Debbie Hanson stated that this would be the last occasion that she would be representing Ernst and Young for Colchester Borough Council, as due to independence rules there has to be rotation of Audit Directors. In future this function will be completed by Kevin Suter, with Francesca Palmer remaining as the Audit Manager for Colchester Borough Council.

The Annual Audit letter is a requirement under the Code of Audit Practice, and contains similar information as provided in the Audit Results Report but tailored for members of the public rather than a technical report.

Debbie Hanson stated that Ernst and Young had given Colchester Borough Council an unqualified audit opinion and an unqualified value for money conclusion on the 17th of September in advance of the statutory deadline. The key findings in the report as previously reported to the Governance Committee highlight the risks associated around external funding and the use of the New Homes Bonus.

Debbie Hanson highlighted that the Audit Letter reports future accounting changes that have not been reported before and will impact Colchester Borough Council. This includes a new requirement to account for Highways Network Assets in 2016/17. Whilst this will mainly impact on the County Council's there may be a requirement on District Councils where certain assets are categorised as part of the Highways Network, which will may require a significant amount of data collection. Debbie Hanson stated that whilst the guidance from the Chartered Institute for Public Finance and Accountancy has yet to be issued, it has been flagged to all Council clients and a number of workshops have already taken place. In addition to this change there will also be the requirement to close the accounts by the end of May and for the audit process to have completed by the end of July. Debbie Hanson stated that the Council are aware and are prepared.

In response to questions of the audit procedures and the risks that have been identified, Debbie Hanson stated that the audit focus is on those areas of the organisation where the accounts have more manual intervention or are based on significant estimates. An example of this is the estimation of business rates provision, and the work on financial journals. In addition the audit will look at ensuring that Capital spending is funded by the capital budget and not from the general balance sheet.

In response to a question on the impact from the change from Depreciated Historic Cost to Depreciated Replacement Cost for the Highways Network Assets, Debbie Hanson stated that the answer is not yet known. There may be an issue with the unadopted roads and street lights and whether deemed to be part of the highways network. Ernst and Young are still waiting for guidance from the CIPFA to determine the extent of the work required; there has been confirmation that this will only apply going forward from 2016/17.

RESOLVED that the Annual Audit Letter be noted.

29. Polling District and Polling Place Review

Sarah Cheek, Electoral Services Manager, introduced the Polling Districts and Polling Places Review, requesting that the Governance Committee consider the proposed changes to Polling Districts and Polling Places following the consultation period. The report also asks the Committee to recommend the report to Full Council.

Sarah Cheek presented the report to the Committee, outlining that the review of the Polling Districts and Polling Places was necessary due to the boundary review creating polling districts that were no longer aligned. After approval from the Governance Committee on 8 September a consultation was launched for a period of 30 days.

Following the consultation there have been three changes to the Polling Districts and Places that have been included in Appendix B. The first is the movement of the polling station in Old Heath Ward, Scarletts District to Worsnop House making it more accessible for those living in the ward. The second change is for the polling station for Mile End Ward, Bergholt Road District to be moved within the ward. The final change is in Greenstead Ward, where Heatley Way will move from Longridge District to Hawthorn Avenue District. This has been changed to make the polling district more accessible and convenient for the elector.

Sarah Cheek stated that all of the Polling stations will now be mapped with the changes. The publication of the electoral register will take place on 1 February 2016; with the first election where the changes have been implemented is 5 May 2016.

Councillor Hayes questioned whether the mapped changes will be placed on the internet. Sarah Cheek stated that this had not yet been published on the website, but this is something that is scheduled to occur as soon as possible.

Councillor Willetts asked whether there was likely to be further consultations on the naming of the polling districts. Councillor Willetts highlighted that in Lexden and Braiswick Ward the Trafalgar Polling District no longer contains the roads that gave it its name as they have been moved to a different District. Sarah Cheek stated that the renaming of Polling Districts is not something that is included in this consultation; keeping the same names in this consultation allowed for consistency for members of the public. If Councillors wished for the names to be changed in the future a further consultation could be conducted.

RESOLVED that;

- (a) The Governance Committee considered the proposed changes to polling districts and polling places following the consultation.

- (b) The Governance Committee *RECOMMEND* to Full Council that the Polling Districts and Polling Places Review be approved and adopted.

30. Interim Review of the Annual Governance statement Action Plan

Hayley McGrath, Corporate Governance Manager, introduced the Interim Review of the Annual Governance Statement Action Plan. The Committee is requested to consider and note the work undertaken to implement the current Annual Governance Statement Action Plan.

Hayley McGrath stated that there had been good progress on the three issues identified as part of the action plan, with all the additional controls due to be fully implemented by the end of the financial year. In addition the report included the action plan updates for the North Essex Parking Partnership and the Colchester and Ipswich Museum Service, which have been agreed and accepted by their own Committees.

RESOLVED that the Interim Review of the Annual Governance Statement Action Plan be noted.

31. Mid-Year Internal Audit Assurance Report 2015/16

Hayley McGrath, Corporate Governance Manager, introduced the Mid-Year Internal Audit Assurance Report 2015/16. The report requests that the Governance Committee note and comment on the internal audit activity for the period between April and September and the performance of the internal audit by reference to national best practice benchmarks.

Hayley McGrath stated that there was an effective internal audit service at Colchester Borough Council and there had been good progress on the audit recommendations. With regard to the audit days used, Hayley McGrath highlighted that the audits are on track and the majority of audit days are used towards the end of the financial year.

The Committee heard that the Discretionary Housing Payments Team had been audited for the first time and achieved a full assurance level rating. There were also two audits which had been given a limited assurance level due to a level one recommendation. The first of which was the Lions Walk Activity Centre which had received a level one recommendation due to the need to carry out a monthly reconciliation of memberships to ensure that all expected membership fees have been collected. The second limited audit was the Building Control Fees, which related to the requirement for independent verification and recording of evidence when charging the building control fees on unique developments.

RESOLVED that the Mid-Year Internal Audit Assurance Report 2015/16 be noted.