

Governance and Audit Committee Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ**

Thursday, 07 March 2019 at 18:00

The Governance and Audit Committee considers and approves the Council's Statement of Accounts and reviews the Council's annual audit letter. The Committee also deals with the Council's governance, risk management and audit arrangements. To make recommendations to the Council on functions such as Elections and bye laws, and determine Community Governance Reviews.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published five working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services. Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to most public meetings. If you wish to speak at a meeting or wish to find out more, please refer to Your Council> Councillors and Meetings>Have Your Say at www.colchester.gov.uk

Audio Recording, Mobile phones and other devices

The Council audio records all its public meetings and makes the recordings available on the Council's website. Audio recording, photography and filming of meetings by members of the public is also permitted. The discreet use of phones, tablets, laptops, cameras and other such devices is permitted at all meetings of the Council. It is not permitted to use voice or camera flash functionality and devices must be kept on silent mode. Councillors are permitted to use devices to receive messages and to access papers and information via the internet and viewing or participation in social media is at the discretion of the Chairman / Mayor presiding at the meeting who may choose to require all devices to be switched off at any time.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, 21 Trinity Square, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

Facilities

Toilets with lift access, if required, are located on each floor of the Town Hall. A water dispenser is available on the first floor and a vending machine selling hot and cold drinks is located on the ground floor.

Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Library and Community Hub, Colchester Central Library, 21 Trinity Square,
Colchester, CO1 1JB

telephone (01206) 282222 or textphone 18001 followed by the full number you wish to call

e-mail: democratic.services@colchester.gov.uk

www.colchester.gov.uk

Governance and Audit Committee - Terms of Reference (but not limited to)

Accounts and Audit

To consider and approve the Council's Statement of Accounts and the Council's financial accounts, and review the Council's external auditor's annual audit letter.

Governance

To consider the findings of the annual review of governance including the effectiveness of the system of internal audit and approve the signing of the Annual Governance Statement.

To have an overview of the Council's control arrangements including risk management and in particular with regard to the annual audit plan and work programme, and to approve the policies contained in the Council's Ethical Governance Framework.

Other regulatory matters

To make recommendations to Council on functions such as elections, the name and status of areas and individuals, and byelaws.

To determine and approve Community Governance Reviews.

Standards in relation to Member Conduct

To consider reports from the Monitoring Officer on the effectiveness of the Members' Code of Conduct, and to advise the Council on the adoption or revision of the Code.

To receive referrals from the Monitoring Officer into allegations of misconduct and to create a Hearings Sub-Committee to hear and determine complaints about Members and Co-opted Members referred to it by the Monitoring Officer.

To conduct hearings on behalf of the Parish and Town Councils and to make recommendation to Parish and Town Councils on improving standards or actions following a finding of a failure by a Parish or Town Councillor.

To inform Council and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints.

To grant dispensations, and to hear and determine appeals against refusal to grant dispensations by the Monitoring Officer.

To make recommendations to Council regarding the appointment of Independent Persons.

General

To review of the Constitution including governance issues around formal meetings, processes and member training and to make recommendations to Council.

Consider and review the activities and financial performance of Colchester Commercial (Holdings) Limited and its subsidiary companies, those Council services generating income of approximately £250,000 and above, and any other partly or wholly owned company of the Council.

To receive, review and recommend Colchester Commercial (Holdings) Limited's business plans (including its subsidiary companies) annually.

To monitor, challenge and make recommendations to Cabinet regarding Colchester Commercial (Holdings) Limited and its subsidiary companies and other Council services with significant income streams.

To make recommendations to Cabinet on how it should exercise the functions flowing from its ownership of shares in Colchester Commercial (Holdings) Limited and its subsidiary companies.

To recommend the constitution and appointment of the Board of Directors of Colchester Commercial (Holdings) Limited to Cabinet.

COLCHESTER BOROUGH COUNCIL
Governance and Audit Committee
Thursday, 07 March 2019 at 18:00

Member:

Councillor Adam Fox
Councillor Helen Chuah
Councillor Robert Davidson
Councillor Theresa Higgins
Councillor Fiona Maclean
Councillor Lorcan Whitehead
Councillor Dennis Willetts

Chairman
Deputy Chairman

Substitutes:

All members of the Council who are not Cabinet members or members of this Panel.

AGENDA - Part A
(open to the public including the press)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief.

1 Welcome and Announcements

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

2 Substitutions

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

3 Urgent Items

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

4 Declarations of Interest

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

5 **Minutes of Previous Meeting**

The Councillors will be invited to confirm that the minutes are a correct record of the meetings held on 30 October 2018 and the 13 November 2018.

Governance and Audit Minute 30-10-18 11 - 14

Governance and Audit Minute 13-11-18 15 - 20

6 **Have Your Say!**

The Chairman will invite members of the public to indicate if they wish to speak or present a petition on any item included on the agenda or any other matter relating to the terms of reference of the meeting. Please indicate your wish to speak at this point if your name has not been noted by Council staff.

7 **Certification of Claims and Returns External Audit Annual Report 2017-18** 21 - 42

The Committee have been asked to note and comment on the contents of the 2017/18 certification claims and returns annual report and qualification letter, issued by the Council's external auditors Ernst & Young(EY) and to also note the Department for Work and Pensions (DWP) letter of 13 February 2019.

8 **Audit Plan year ended 31 March 2019** 43 - 78

The Committee have been asked to review and agree the Audit Plan for the year ending 31 March 2019.

9 **Capital Expenditure Monitor 2018/19 – April to December 2018** 79 - 90

The Committee have been asked to review the progress of the schemes included in the capital programme, the associated spend for the first nine months of the financial year, the budget forecasts for 2018/19 and future years and the RAG rating for each scheme as defined by the relevant project manager.

10 **Financial Monitoring Report – April to December 2018** 91 - 106

The Committee have been asked to consider the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first nine months of 2018/19, and to note the whilst there is a forecast budget overspend of £267k on the General Fund there remain a number of end of year items which are expected to result in the outturn being delivered on budget.

11 **Brexit – governance and business continuity** 107 - 110

The Committee have been asked to note the report's content and

overview of the current arrangements.

- | | | |
|----|--|--------------|
| 12 | Review of the Business Plans, Governance and Performance of the Council's Wholly-Owned Companies | 111 -
146 |
| | <p>The Committee have been asked to note the governance arrangements that are in place between the Council and Colchester Commercial (Holdings) Limited and its subsidiary companies.</p> <p>They have also been asked to consider and review the activities and financial performance of Colchester Commercial (Holdings) Limited and its subsidiary companies and to also review, and make recommendations to Cabinet on, the refreshed Colchester Commercial (Holdings) Limited Business Plans, including for its subsidiary companies.</p> | |
| 13 | Risk Management Progress Report | 147 -
162 |
| | <p>The Committee have been asked to consider and comment on the Council's progress and performance in managing risk during the period from April to September 2017 and also consider and comment on the current strategic risk register.</p> | |
| 14 | Annual Review of Business Continuity | 163 -
174 |
| | <p>The Committee have been asked to consider and comment on the business continuity work undertaken during the period of 01 January 2018 to 31 December 2018 and to also endorse the Business Continuity Strategy for 2019.</p> | |
| 15 | Interim Review of the Annual Governance Statement Action Plan | 175 -
180 |
| | <p>The Committee have been asked to consider and comment on the work undertaken to implement the current Annual Governance Statement action plan.</p> | |
| 16 | Internal Audit Plan 2019/20 | 181 -
186 |
| | <p>The Committee have been asked to consider and agree the suggested Internal Audit plan for 2019/20 as shown in appendix A of the report.</p> | |
| 17 | Work Programme 2018 -19 | 187 -
190 |
| | <p>The Committee have been asked to note the contents of the Committee's Work Programme for 2018-19.</p> | |

Part B

(not open to the public including the press)

18 Exclusion of the Public (not Scrutiny or Executive)

In accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

19 Review of the Business Plans, Governance and Performance of the Council's Wholly-Owned Companies - PART B

Not for publication draft appendices with regards to the Review of the Business Plans, Governance and Performance of the Council's Wholly-Owned Companies report from the Assistant Director of Policy & Corporate.