

GOVERNANCE COMMITTEE 19 NOVEMBER 2013

Present :- Councillor Ray Gamble (Chairman)
Councillors Christopher Arnold, Cyril Liddy,
Sue Lissimore, Nigel Offen, Peter Sheane and
Laura Sykes

25. Minutes

The Minutes of the meeting held on the 15 October 2013 were confirmed as a correct record.

26. Annual Audit Letter

The Committee considered a report from the Assistant Chief Executive presenting the contents of the 2012 / 13 Annual Audit Letter and Local Government Audit Committee Briefing, both of which were attached as appendices to the report.

Debbie Hanson, attending on behalf of Ernst and Young LLP, explained that the Annual Audit letter summarised Ernst and Young's findings from its 2012 / 13 audit of the Council and how it uses its resources. No significant issues had been found and all responsibilities had been discharged. The Local Government Audit Committee Briefing was attached for information and no errors were found.

In response to a request from a member of the Committee, it was clarified that fees were set by the Audit Commission, had been fixed for three years and were unlikely to change.

RESOLVED that the contents of the 2012 / 13 Annual Audit Letter and Local Government Audit Committee Briefing be noted.

27. Work Programme

The Committee considered the contents of a report from the Assistant Chief executive on the Work Programme for the year.

Pippa Turvey, Democratic Services Officer, explained that the Annual Business Continuity report and the Review of Pensions had been rescheduled for the meeting in January 2014, as per the agreement of the Committee on 15 October 2013.

RESOLVED that the contents of the Work Programme be noted.

28. Annual Governance Statement Action Plan // Interim Review

The Committee considered a report from the Assistant Chief Executive reviewing the implementation of the actions highlighted on the Annual Governance Statement for 2012 / 13. The Colchester Borough Council Annual Governance Statement Action Plan Interim Review was attached as an appendix to the report. The North Essex Parking Partnership (NEPP) Annual Governance Statement and the Colchester and Ipswich Museum Service Annual Governance Statement Action Plan were both attached, for information.

Hayley McGrath, Risk and Resilience Manager, explained that progress had been made against all the issues identified in the action plan.

The Committee requested clarification regarding the process of scrutiny for the NEPP Annual Governance Statement. Matthew Young, the Head of Operational Services, explained that the NEPP Joint Committee was a sub-Committee of Essex County Council (ECC) and, therefore, ECC were responsible for scrutiny. The work of the NEPP was reported back to the ten districts involved. Colchester Borough Council Scrutiny Panel would receive presentation on the 10 December 2013, which would explain, in greater detail, the role and work of the NEPP.

RESOLVED that the work undertaken to implement the current Annual Governance Statement action plan be noted.

29. Risk Management Progress Report

The Committee considered a report from the Assistant Chief Executive concerning Risk Management activity between April 2013 and September 2013. The Colchester Borough Council Corporate Strategic Risk Register October 2013 – January 2014 and the Risk Matrix October 2013 were all attached as appendices to the report.

The report outlined the implementation of a specific process to manage risks associated with the Council's change programme and a review of the operational service risks to ensure that they supported the programme objectives. The work undertaken during between April and September was detailed, which included the agreement by Cabinet and full Council of the revised risk management strategy, the updating of the policy framework, the updating of operational risk registers and a renewal of the Council's insurances.

The Risk and Resilience Manager explained that the public liability premiums for the Council had been expected to increase by £75,000, however work had been done by Officers to ensure that this increase was now only £15,000. She also highlighted that claims on the motor vehicle insurance had decreased from 97 annually, to 79 annually.

A member of the Committee raised the question of whether new building developments were required to ensure large vehicles, such as waste disposal freighters, could pass through them. The Head of Operational Services explained that several years ago, with the help of the Development Control Team, a Supplementary Planning Document had been drafted to ensure exactly that and should apply to all new

developments.

RESOLVED that –

- (i) The work undertaken between April 2013 and September 2013 be noted; and
- (ii) The strategic risk register be noted.

30. Mid Year Internal Audit Assurance report 2013/14

The Committee considered a report from the Assistant Chief Executive summarising the performance of internal audit during the first half of 2013 / 14, details the internal audit work undertaken and sets out the proposed internal audit work programme for 2014 / 15 – 2015 / 16. The Key to Assurance Levels, a Summary of Audits with a Limited or No Assurance Rating and the Proposed Internal Audit Work Programme 2014 / 15 – 2015 / 16 were all attached as appendices to the report.

Elfreda Walker, Finance Manager, explained that an effective internal audit service had been maintained. The assurance ratings had improved in 19% of the audits, remained the same in 75% of the audits and declined in only one audit. Good progress was being made on implementing and verifying outstanding recommendations, with 114 priority 1-3 recommendations being made. One IT Hardware Assets Management recommendation was not agreed. The target for the percentage of the annual plan to be completed had not been met but this was mainly due to the weighting of the audit plan towards the end of the financial year. The work programme was proposed, however needed to remain flexible to respond to any future risks.

The Committee congratulated Officers on the work done to improve the level of recommendations agreed. Ann Hedges, the Chief Operating Officer, suggested that this was as a result of efforts made to ensure the advantages of the audits were realised.

A member of the Committee raised several questions as to the 27 recommendations for the Waste Management Service. In response the Head of Operational Services said that there had been an audit of everything held on the site, including equipment and stock. He explained that although the results were undesirable, a lot of work had been undertaken with the auditors to find areas that needed improving. He explained that regular monitoring would be carried out, with a follow up audit next year and then every two years. He offered to circulate to the Committee an update report, which he had received.

The Committee questioned whether the interim management measures would help work through the changes. The Head of Operational Services clarified that a new Interim Manager had been appointed who had been using their experience to help update procedures. It was stated that this was part of a larger culture change.

The Chief Operating Officer stated that, already, simple alterations were being made to

change the culture, such as regular meetings with Loaders as well as Drivers and improvements in the crew room.

The Committee were encouraged by the efforts being made.

RESOLVED that –

- (i) The internal audit activity for the period 1 April 2013 – 30 September 2013 be noted;
- (ii) The performance of internal audit by reference to national best practice benchmarks be noted; and
- (iii) The proposed internal audit work programme be noted.

31. Recruitment Policy for Applicants Related to Staff Employed by the Council

The Committee considered a report from the Assistant Chief Executive concerning the recruitment policy for applicants related to staff employed by the Council.

Jessica Douglas, Senior Manager for Human Resources, explained that the Council had two policies which referred specifically to the employment of individuals related to staff. One was the Personal Relationships at Work Policy, which was introduced in July 2008 following concerns regarding related staff working in the same team. This was considered more problematic where there was also a line management relationship. Paragraph 3 of the Policy, relating to Recruitment and Selection was extracted as providing clear guidance, indicating that no such situations could occur again in the future. It was clarified that the policies applied to both familial relationships and personal relationships.

A member of the Committee enquired as to whether there were any familial relationships within Waste Services. It was clarified by the Head of Operational Services that there was one sibling relationship within Waste Services, however, there was no managerial relationship between the two.

A member of the Committee suggested that formal guidance be drafted on how relationship between staff and Councillors be dealt with, to ensure clarity and fairness. The Chief Operating Officer explained that this would be a case of formalising existing practices.

The Senior Manager for Human Resources suggested that this could be explored, possibly with the aid of the Monitoring Officer.

RESOLVED that the contents of the report be noted.