

AUDIT AND CORPORATE GOVERNANCE SCRUTINY COMMITTEE**MINUTES OF MEETING HELD ON 28 MAY 2015****I N D E X**

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AUDIT AND CORPORATE GOVERNANCE SCRUTINY COMMITTEE

MINUTES OF MEETING HELD ON 28 MAY 2015

Present:

Councillor D Skinner (Chair)
Mrs C A Smith (Vice Chair)

Councillor B Barnes
“ S J Ellis
“

Councillor G Butler
“ M E Thacker

Also Present:

Mr B Mason – Executive Director - Operations
Mr M Kane - Governance Manager

29 Apologies for Absence

Apologies for absence had been received from Councillor G Griffin-Chappel.

30 Declarations of Interests

Members were requested to declare the existence and nature of any disclosable pecuniary interests and/or other interests, not already on their register of interests, in any item on the agenda and to withdraw from the meeting at the appropriate time.

There were no interests declared at this meeting.

31 Minutes of Last Meeting

RESOLVED: That the Minutes of the meeting of the Audit and Corporate Governance Scrutiny Committee held on 16 April 2015 be approved as a correct record and signed by the Chair.

32 Committee Work Programme 2015/2016

The Committee considered Report No ADGMO/4/15/16/SS of the Assistant Director - Governance and Monitoring Officer which set out the Committee's work programme for the 2015/2016 municipal year. The purpose of the work programme was to enable Members to give structured consideration of proposed agenda items for up- coming meetings.

In addition to the meetings proposed as part of the Council's committee calendar, a special meeting of the Committee was proposed to take place in October 2015 to consider the CIPFA/SOLACE self assessment document which enabled the Committee to examine critically its role and work and look at any areas for improvement. This approach was supported and a date for the special meeting would be discussed and agreed with the Chair of the Committee.

As an appendix to the report a copy of the Committee's functions detailed at Paragraph viii reference to the Audit Commission which would be removed following their abolition. Members emphasised the importance of receiving timely budget monitoring reports so that appropriate comments could be fed into meetings of the Cabinet.

RESOLVED: That:

- (1) The Committee notes and endorses the Audit and Corporate Governance Scrutiny Committee Work Programme 2015/2016 as set out in Appendix A to these minutes.
- (2) The Committee recommends that the Work Programme as set out in Appendix A to these minutes be referred to Cabinet for its consideration.
- (3) A special meeting of the Committee be convened to take place in October for the purpose of undertaking the CIPFA/SOLACE self assessment document.

(Governance Manager /
Executive Director Operations)

33 Annual Governance Statement 2014/2015

The Committee considered Report No EDO/1/15/16/BM of the Executive Director - Operations which sought an endorsement of the Annual Governance Statement which it was proposed to incorporate into the Council's Statement of Accounts for 2014/2015. The final version of the Annual Governance Statement would be brought to the Committee at its meeting on 25 June 2015 and they would be required to approve it as part of the Council's Draft Statement of Accounts.

Members were advised that one of the key purposes of the Annual Governance Statement was to assess the extent to which the principles set out in the CIPFA/SOLACE framework were in place within the authority and were adhered to in practice. The Annual Governance Statement provided an annual assessment process for the Council's Governance arrangements and included the front facing Code of Corporate Governance.

In particular, the Committee was asked to satisfy itself that the Council had a robust system of internal control in place. As part of wider awareness raising amongst members of the Council it was proposed that a presentation be given at a future Council meeting on the Council's Code of Corporate Governance.

Members considered the document and largely supported it, noting that the significant governance issues highlighted on page 13 of the report needed to be time bound to enable progress to be properly monitored.

RESOLVED: That:

- (1) Comments made by the Committee in respect of significant governance issues be noted and incorporated prior to the final version being included within the Council's Statement of Accounts.

- (2) The Committee's agreement to the assessment of the Council's Governance and Internal Control arrangements be noted.
- (3) Committee recommend the amended Code of Corporate Governance as set out in Appendix 2 to the report to Cabinet for approval.
- (4) An item to be placed on a future Council meeting to help raise awareness of the Council's Code of Corporate Governance.

(Executive Director Operations)

34 Performance Management – Quarter 4 2014/2015

The Committee considered Report No EDO/2/15/16/BM of the Executive Director - Operations which provided a summary of performance for the fourth quarter 2014/2015, ie January to March 2015, and an outturn for 2014/2015 for all key tasks and performance indicators that directly contributed to the priorities within the Council's Corporate Plan. The report also provided a range of other corporate information including sickness absence, accidents and complaints.

Overall for the fourth quarter, 100% of the key tasks achieved their respective targets and 83% of the performance indicators achieved the targets set for the year. The number of key tasks had been considerably reduced with only three being reported for the period.

Average number of days lost for the quarter was 2.89 days which equated to an annual figure of 9.39 days which was significantly above the target of 8.5 days. Members raised concerns over the increase in sickness absence and requested these concerns be reported to Cabinet.

The Council had received 73 complaints during the fourth quarter, 73% of which related to streetscene services. This was largely due to delays and disruption to the collection round as a result of poor weather conditions.

RESOLVED: That:

- (1) The Committee notes the report and appendices and requests that comments made in respect of sickness absence be reported to Cabinet on 10 June 2015.
- (2) The Committee notes the current position and the high level of achievement for Key Tasks (100% achieved) and the good levels of achievement of Performance Indicators (83% achieved) as outlined in the table at paragraph 1.5 on page 2.6.1.2.
- (3) The Committee notes that a number of the indicators as detailed in Appendix 1 to 5 are not performing to the expected levels and which support the following corporate priorities;

3.2 Ensure streets are clear of litter, fly tipping, graffiti and dog fouling

3.4 Help deal with the issues of climate change

5.1 Ensure residents have confidence in the Council

5.2 Provide good value, high performing services

- (4) The Committee notes the explanations for the lower than anticipated performance.
- (5) The Committee notes the circumstances and appropriate action outlined on pages 11 and 15 to address underperformance. Some service areas have been affected by resource issues either through vacant posts or long-term sickness. Another contributory factor has been the implementation of key ICT systems that have caused some disruption to some service areas.

(Executive Director Operations)

35 Risk Management Update, Partnership Working and Strategic Risk Register

The Committee considered Report No: EDO/3/15/16/BM of the Executive Director Operations which set out the Strategic Risk Register prior to it being presented to Cabinet.

The main risks within the Strategic Risk Register related to the following items:

- Failure to deliver a balanced budget in line with the Medium Term Financial Plan.
- External financial and policy developments that had an adverse impact on the Council or local economy to which the Council was unable to adopt an appropriate change of direction.
- The dependency of the Council's agenda on a number of major initiatives including the Growth Strategy, Transformation agenda, Welfare Reform, etc.
- Difficulty recruiting to key posts or replacing key staff who leave.
- Failure to resource and deliver acceptable service performance improvements or reconfiguration to maintain good external reputation.
- The need to effectively engage with local communities and a range of local partners to deliver cost effective joined up services.
- Emergency planning and business continuity arrangements fail to meet required standards when facing a real situation.
- Governance arrangements fail to be maintained.
- Staff morale and sickness levels adversely affected as a result of the pace of change, tightening financial circumstances or external circumstances.

There was a wider discussion around the difficulty of recruiting to key posts and Members felt that the lack of a national graduate scheme at the Council could be a disadvantage.

RESOLVED: That the report be noted and the Committee's comments in respect of recruitment to key posts and the national graduate scheme be taken forward to Cabinet on 10 June 2015.

(Executive Director Operations)

36 Key Issues of Financial Governance

The Committee considered Report No EDO/4/15/16/BM of the Executive Director Operations which updated the Committee regarding progress in addressing Key Issues of Financial Governance.

Key issues identified included:

- Actions necessary to achieve a balanced budget over the period of the Medium Term Financial Plan.
- Minimising the risk of a reduction in financial balances.
- Managing key partnership arrangements.
- Improving the quality of performance monitoring within the Council.
- Setting appropriate targets for the recovery of arrears.
- Monitoring recovery procedures and their cost effectiveness.
- Monitoring the impact of new legislation.
- Maintaining internal controls.

RESOLVED: That the Committee briefly move into private session to receive an update from officers on the sale of the Saltergate site.

RESOLVED: That the meeting return to public session.

There was a broader discussion on increasing debtors and to ensure clear lines of accountability the Committee requested that the lead officer be identified within the action plan. Officers were confident that levels of debt would be addressed in the medium term.

Concern was also expressed around administration of benefits and transition if regulations changed. In particular there was discussion around the administration of Housing Benefit should the move to the Department of Work and Pensions happen and the consequent loss of local accountability.

RESOLVED: That the report be noted and the issue with regards to identifying a lead officer within the Action Plan in respect of debtors be addressed.

(Executive Director - Operations)

37 Chairs Urgent Business

There were no items of urgent business to be considered at this meeting.

Appendix A

AUDIT AND CORPORATE GOVERNANCE SCRUTINY COMMITTEE: PROPOSED WORK
PROGRAMME 2015/2016

<u>DATE OF MEETING</u>	<u>ITEM</u>
25 June 2015	<ul style="list-style-type: none">• Internal Audit Consortium: Annual Report 2014/2015• Summary of Internal Audit Reports issued 2014/2015• Annual Review of Adequacy of Internal Audit• Draft Statement of Accounts 2014/2015• Key Issues of Financial Governance
24 September 2015	<ul style="list-style-type: none">• Report to those Charged with Governance (KPMG)• NEDDC Statement of Accounts 2014/2015• Key Issues of Financial Governance• Medium Term Financial Plan (MTFP) Update• Review of Risk Management Strategy• Review of Anti Fraud Policy• Risk Management Update, Partnership Working and Strategic Risk Register• Performance Management, 1st Quarter 2015/2016• Quarter 1 2014/2015 Financial Monitoring
26 November 2015	<ul style="list-style-type: none">• Budget Monitoring Report – Quarter 2 – July – September 2015• Risk Management Update, Partnership Working and Strategic Risk Register• Performance Management, 2nd Quarter 2015/2016• Key Issues of Financial Governance• Corporate Debt Recovery Update
4 February 2016	<ul style="list-style-type: none">• Medium Term Financial Plan 2015/2016 to 2017/2018• DOES THIS TIE IN WITH BUDGET TIMETABLE?P• Key Issues of Financial Governance• Finance and Risk Update• Performance Management, 3rd Quarter 2015/2016• Risk Management Update, Partnership Working and Strategic Risk Register
21 April 2016	<ul style="list-style-type: none">• Key Issues of Financial Governance• Internal Audit Plan 2016/2017• Internal Audit Plan 2015/2016