

Minutes

Governance Committee



11th January 2017

Councillors	Present	Councillors	Present
M Dunn	Yes	Miss V Santomauro	No
J Elliott (Chairman)	Yes	Miss M Thorogood	Apologies
J Goodman	Apologies	R van Dulken	Yes
D Hufton-Rees	No		

In attendance:

Freddey Ayres	Governance and Members Apprentice
Lesley Day	Audit, Insurance & Risk Manager
Chris Fleetham	Corporate Director
Chloe Glock	Governance Business Officer
Tracey Headford	Performance and Improvement Manager
Phil Myers	Financial Services Manager
Trevor Wilson	Head of Finance

Kevin Suter	Ernst & Young (External Auditors)
Jo Wardle	Ernst & Young (External Auditors)

26 **MINUTES**

DECISION: That the Minutes of the meeting of the Governance Committee held on 28th September 2016 be approved as a correct record and signed by the Chairman.

27 **PUBLIC QUESTION TIME**

INFORMATION: There were no questions asked, or statements made.

28 **DECLARATIONS OF INTEREST**

INFORMATION: There were no interests declared.

29 **SECOND QUARTER PERFORMANCE MANAGEMENT REPORT 2016-17**

INFORMATION: Members were advised that progress in the second quarter had been steady. Five projects had been completed and 38 projects were on track to

meet their target dates. Four projects had experienced delays caused either by third parties involved in the project, or due to requiring additional time to develop proposals, or carry out additional research and engagement. Two projects had been cancelled.

For performance indicators at the end of the second quarter, thirteen had met target and five had not met target. Of the five performance indicators that had not met target, three had missed target by less than 5% and two had missed target by more than 5%.

Members were advised that the tonnage of residual waste had reduced in the second quarter with an outturn of 104kgs (previously 120kgs in Q1), but this had still not achieved the target of 99kgs. The Council continued to door step customers to encourage participation in recycling and to increase the recycling rate which would also positively impact on the tonnage of waste.

The average call answering time in the Customer Service Centre for the second quarter was 17 seconds against a target of 15 seconds. Resource issues and an increase in calls being received at peak times had meant the call answering target had not been met this quarter. However, it was felt that 17 seconds was still an excellent answering time.

The number of jobs created through business advice and support had missed the target by one. The figures were provisional and would be confirmed in the next quarter. Ignite were on track to meet the target by the end of the year.

The total number of visits to leisure facilities in the District had slightly missed target in the second quarter, but overall for the year the target had been exceeded.

The processing of disabled facility grants which was demand led and reliant on referrals from Essex County Council and Greenfields Community Housing Ltd was lower than expected in the second quarter of the year. This performance indicator was reported cumulatively and at the end of the second quarter the teams had processed a total of 68 applications against a target of 72. The low number of referrals received had a positive impact on the waiting list as the teams were able to focus more resource into processing the small backlog of applications.

DECISION: That the report be noted.

30

KEY FINANCIAL INDICATORS – 30TH NOVEMBER 2016

INFORMATION: Members considered a report on Key Financial Indicators which provided information on performance for the financial year to 30th November 2016.

DECISION: That the report on the Key Financial Indicators as at 30th November 2016 be accepted.

REASON FOR DECISION: To provide evidence that the Council adopts good practice in actively monitoring its financial performance and actively manages issues that may arise.

31 **INTERNAL AUDIT – ACTIVITY REPORT FOR THE PERIOD TO 14TH DECEMBER 2016**

INFORMATION: Members were provided with details and outcomes from the audit assignments completed during the period 9th September 2016 to 14th December 2016.

Members were informed about the Reportable Recommendations Update of which three recommendations had a revised date of January 2017, all of which related to Fleet Management. One recommendation regarding Performance Indicators and Data Quality was awaiting decisions on the future provision of training software.

DECISION: That the activity report for the period 9th September 2016 to 14th December 2016 be accepted.

REASON FOR DECISION: To advise Members of the audit assignments completed for the period from 9th September 2016 to 14th December 2016.

32 **ANNUAL AUDIT LETTER 2015-2016**

INFORMATION: Members were advised that the purpose of the Annual Audit Letter was to communicate the key issues arising from the work carried out by Ernst & Young, the Council's external auditors during the financial year 2015/2016.

The key areas covered in the letter were:

- Statement of Accounts – an unqualified true and fair opinion had been issued on the 2015/2016 financial statements.
- Value for money – an unqualified value for money opinion had been issued as the auditor was satisfied in all significant matters, that the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.
- Satisfied that the Annual Governance Statement was not inconsistent or misleading with other information that the external auditor was aware of from the financial statements

Kevin Suter, Executive Director Ernst & Young, passed on his thanks to the Council for making their first year as external auditors extremely efficient and effective and they were very pleased with progress.

DECISION: That the Annual Audit Letter for 2015/2016 be received.

REASON FOR DECISION: For Members to receive the Annual Audit Letter for 2015/2016.

33 **CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2015-16**

INFORMATION: Members were informed of the purpose of the Certification of Claims and Returns Annual Report 2015-16, which was to summarise the results of the work carried out by Ernst & Young, the Council's external auditors.

From 1st April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work had been delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

For 2015/2016 these arrangements required only the certification of the housing benefits subsidy claim. In undertaking this work, Ernst & Young had followed a methodology determined by the Department for Work and Pensions but it had not undertaken an audit of the claim.

Although the auditors had issued a qualification letter in relation to the housing benefits subsidy claim detailing a number of issues, the proposed amendments would have a marginal effect on the grant due, increasing subsidy due to the Council by £778.

The actual certification fee for 2015/2016 was £13,728. The Council's indicative certification fee for 2016/2017 was £13,778 which was prescribed by PSAA in March 2016.

DECISION: That the Certification of Claims and Returns Annual Report for 2015/2016 be received.

REASON FOR DECISION: For Members to receive the Certification of Claims and Returns Annual Report for 2015/2016.

34 **DRAFT TREASURY MANAGEMENT STRATEGY STATEMENT 2017-18**

INFORMATION: Members considered the Draft Treasury Management Strategy Statement 2017-18.

Members were advised of an amendment to section 6.14 and table 7 of the report, to include information in respect of investments that were held for longer than 12 months.

DECISION: The Committee:

1. Agreed the amendments to the report in respect of section 6.14 and table 7.
2. Reviewed the draft Treasury Management Strategy Statement.
3. Did not have any further comments or observations for the Cabinet Member for Finance and Performance to take into account when presenting the final Treasury Management Strategy Statement to Cabinet and Full Council.

REASON FOR DECISION: The Council's Constitution requires that prior to consideration by Cabinet and Full Council, the draft Treasury Management Strategy Statement is reviewed and scrutinised by the Governance Committee.

35 **STRATEGIC RISK MANAGEMENT**

INFORMATION: Members considered the Strategic Risk Management report, which provided details of the review and update of the Council's Strategic Risk Register as agreed by the Cabinet at its meeting on 29th November 2016.

DECISION: Members noted and endorsed the Strategic Risk Register and the Action Plans for managing the high rated risks.

REASON FOR DECISION: For Members of the Governance Committee to be assured that the Council's strategic and operational risks with a high risk rating, are being actively managed.

36 **FORWARD LOOK – TWELVE MONTHS TO JANUARY 2018**

INFORMATION: Consideration was given to a schedule of routine audit and accounts reports and governance reports which would be presented to the Governance Committee during the forthcoming 12 months. Ad-hoc reports would be presented to the Committee as required.

Members were advised that the Annual Governance Statement 2016/17 would be brought forward from 29th June 2017 to 22nd March 2017.

DECISION: That the Governance Committee report schedule for the next 12 month period be noted.

REASON FOR DECISION: To agree the work and reports to be undertaken by and presented to the Governance Committee over the coming 12 months.

The meeting commenced at 7.15pm and closed at 8.38pm

Councillor J Elliott
(Chairman)