

# Minutes

## Governance Committee



23rd March 2016

Councillors	Present	Councillors	Present
M Dunn	Apologies	Miss V Santomauro	Yes
J Elliott (Chairman)	Apologies	Miss M Thorogood	Yes
J Goodman	Yes	R van Dulken	Yes
D Hufton-Rees	Yes		

### In attendance:

Lesley Day	Audit, Insurance and Fraud Manager
Chloe Glock	Governance and Members Officer
Tracey Headford	Performance Improvement Officer
Ian Hunt	Head of Governance
Trevor Wilson	Head of Finance
Kevin Suter	Ernst & Young (External Auditors)
Jo Wardle	Ernst & Young (External Auditors)

### 34 **PUBLIC QUESTION TIME**

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

### 35 **MINUTES**

**DECISION:** That the Minutes of the meeting of the Governance Committee held on 13<sup>th</sup> January 2015 be approved as a correct record and signed by the Chairman.

### 36 **DECLARATIONS OF INTEREST**

**INFORMATION:** There were no interests declared.

### 37 **THIRD QUARTER PERFORMANCE MANGEMENT REPORT 2015-2016**

**INFORMATION:** As at the end of December, ten projects had been completed and 30 were on track to meet their target dates. One project had an amber status which was in respect of delivering 75 new business start-ups in conjunction with Ignite.

For performance indicators at the end of December, twelve had met target and four had not met target. Of the four performance indicators that had not met target, one had missed by less than 5% and was expected to achieve its target by the end of the year, and three had missed target by more than 5%.

There was an overall positive variance forecast for the year of £938,000 (-6%) against the budget of £15.624 million. Income was projected to be overachieved by £911,000, predominantly due to extra income from planning application fees of £578,000. The overall projected variance had improved from that reported at the second quarter (Q2) by £200,000, of which £139,000 was due to a net increase in projected income, principally from the Development Control service. There was a net underspend of £27,000 predicted on staffing and expenditure.

**DECISION:** That the report was noted.

38 **KEY FINANCIAL INDICATORS AT 29TH FEBRUARY 2016**

**INFORMATION:** Members considered a report on Key Financial Indicators which provided information on performance for the financial year to 29th February 2016.

**DECISION:** That the report on the Key Financial Indicators as at 29th February 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.

39 **INTERNAL AUDIT ACTIVITY REPORT FOR THE PERIOD TO 10TH MARCH 2016**

**INFORMATION:** Members were provided with details and outcomes from the audit assignments completed during the period 11th December 2015 to 10th March 2016.

**DECISION:** That the activity report for the period 11th December 2015 to 10th March 2016 be accepted.

**REASON FOR DECISION:** To advise Members of the audit assignments completed for the 11th December 2015 to 10th March 2016.

40 **INTERNAL AUDIT PLAN 2016-2017**

**INFORMATION:** Members were advised of the proposed Internal Audit Plan for 2016/2017.

Members were informed that the Council's core financial systems were subject to a system audit every year using CIPFA matrices, internal key controls and the Audit Commission Fraud and Corruption checklist. Non-core systems and Operational topics were based on a four year programme. Corporate topics were as and when required.

**DECISION:** That the Internal Audit Plan 2016/2017 as detailed in Appendix A of the report be endorsed.

**REASON FOR DECISION:** To request Members to endorse the Internal Audit Plan for 2016/2017 to comply with the Public Sector Internal Audit Standards.

41 **EXTERNAL AUDIT PLAN 2015-16**

**INFORMATION:** The external Audit Plan summarised the work that Ernst & Young (external auditors) proposed to undertake in respect of the audit of Braintree District Council for the 2015/2016 financial year.

The audit will include an audit opinion on whether the financial statements of the Council gave a true and fair view of the financial position as at 31st March 2016 together with income and expenditure for the year, a statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness and reviewing and reporting to the National Audit Office, as to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

The planned fees chargeable for the audit and grant certification work for 2015/16 totalled £72,484. Whilst this may be subject to variation, should additional unplanned work be required, a significant saving would be made against the budget of £103,590 set for 2015/16.

**DECISION:** That the External Audit Plan 2015/16 together with the agreed audit fees be noted.

**REASON FOR DECISION:** That Members are aware of the coverage of the External Audit Plan for 2015/16 and the associated costs of the external audit.

42 **PROTECTING THE ENGLISH PUBLIC PURSE 2015**

**DECISION:** Members were advised that the European Institute for Combating Corruption and Fraud (TEICCAF) publication – 'Protecting the English Public Purse 2015' was the first report in the series on the extent of fraud against local government and was aimed at those responsible for governance in local government.

Protecting the Public Purse was previously published by the Audit Commission which was abolished in March 2015. Taking part in the annual survey was mandatory with the Audit Commission however with TEICCAF it was voluntary.

**DECISION:**

1. To receive the Protecting the English Public Purse 2015 report.
2. To note the completed 'Checklist for those responsible for combatting fraud and corruption' and the current counter-fraud arrangements.

**REASON FOR DECISION:** To ensure Members are aware of the current and ongoing fraud risks and the counter fraud arrangements that are in place.

43 **AUDIT ENQUIRIES TO THOSE CHARGED WITH GOVERNANCE - RESPONSE TO EXTERNAL AUDITOR'S LETTER**

**INFORMATION:** New external auditors, Ernst and Young, had asked that the Governance Committee considered a letter with regards to how the Committee gains assurance from management regarding the financial governance arrangements of the Council. The Chairman of the Committee had received a letter, dated 25th January 2016, containing a number of questions in this respect. To assist the Committee in its deliberation of the letter, was information pertinent to each of the questions raised, which would form the basis of the Committee's formal response.

Members raised concerns that the Council had not celebrated its own achievements enough in respect of financial management of the authority having been very good for a number of years and that this had not been reflected enough in the response. It was also suggested to amend the wording in the response to question six so that it read "There are no known potential litigation claims affecting the Council at this time".

**DECISION:** That subject to the amendments put forward by Members, the Committee considered and agreed the response to the letter from the Council's external auditors, Ernst and Young.

**REASON FOR DECISION:** For the Governance Committee, being those charged with governance, to provide responses to questions raised by the Council's external auditor, Ernst and Young, as required under Auditing Standards.

44 **GOVERNANCE COMMITTEE ANNUAL REPORT 2015-2016**

**INFORMATION:** A report was presented to the Governance Committee summarising its activities during the 2015/2016 civic year with a view of the report being presented at Council. The report included details of the routine audit and accounts business that came before the Committee together with the annual cycle of governance reports.

**DECISION:**

1. To consider the report and make any amendments as necessary, and
2. To approve the report to be presented at Council.

**REASON FOR DECISION:** To agree a report on the Committee's activities during 2015/2016 and to approve its presentation to Council.

45 **GOVERNANCE COMMITTEE SELF-ASSESSMENT**

**INFORMATION:** This self-assessment was part of a toolkit which had been produced to build on the work already completed by CIPFA and the guidance provided in its publication Audit Committees – Practical Guidance for Local Authorities. The toolkit was intended to provide a more detailed set of advice, give

examples and suggest good practice to assist both officers and Members who were involved in the establishment and operation of an audit (governance) committee. The majority of the self-assessment had been completed but there were remaining parts where members of the Governance Committee needed to give their opinion and to identify any areas where an improvement plan may be necessary.

**DECISION:**

**REASON FOR DECISION:**

46 **FORWARD LOOK – TWELVE MONTHS TO 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 8.29pm.

Councillor V Santomauro  
(Vice Chairman in the Chair)