

Minutes

Governance Committee

22nd March 2017



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

In attendance:

Freddey Ayres
Chloe Glock
Tracey Headford
Cherie Root
Trevor Wilson

Governance and Members Apprentice
Governance Business Officer
Performance and Improvement Manager
Head of Business Solutions
Head of Finance

Kevin Suter
Jo Wardle
Alex Rafalowicz-Campbell

Ernst & Young (External Auditors)
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37 **MINUTES**

DECISION: It was noted that the Members present were an inquorate representation of the previous meeting and therefore the Minutes could not be signed by the Chairman as a true record and as a result the Minutes of the meeting of the Governance Committee held on 28th September 2016 were deferred to the next meeting.

38 **PUBLIC QUESTION TIME**

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

39 **DECLARATIONS OF INTEREST**

INFORMATION: There were no interests declared.

40 **THIRD QUARTER PERFORMANCE MANAGEMENT REPORT 2016-17**

INFORMATION: Members were advised that progress in the third quarter had been good. Nine projects were now complete and 36 were on track to meet their target dates. One project had an amber status as the service is not performing as expected.

For performance indicators at the end of the quarter, twelve had met or exceeded target, one performance indicator had missed target by less than 5% and five have missed target by more than 5%.

The performance indicator that had missed target by less than 5% related to the percentage of council tax collected which had marginally missed target and was expected to meet target at the end of the year.

Members were advised that the tonnage of residual waste had continued to reduce in each quarter with an outturn of 105kgs against 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.

Business start-ups and jobs created through advice and support provided by Ignite had missed target by two. Members were advised that further work was being carried out to understand the reason behind this. Resources were being increased to carry out additional targeted promotion around the services provided by Ignite.

The total number of visits to leisure facilities in the District had missed target. The outturn in the third quarter achieved 239,832 against the target of 260,439. There were various reasons for the reduction in the number of visits. A number of junior activities introduced in November 2015 saw an initial spike in uptake but this had since reduced. Weather conditions had also impacted on participation levels for outdoor sporting activities. Fusion were focussing their efforts on increasing numbers for junior clubs and were improving outdoor pitches to provide all year round sporting opportunities.

Passenger journeys on the Community Transport scheme had achieved 11,667 against a target of 12,906. There had been a decline in the number of passenger journeys for a number of reasons which were being investigated. . Funding was not known at the time of the report.

There was an overall positive variance forecast for the year of £487,000 (-3.7%) against the budget of £13.107 million. This represented a positive change of £184,000 from the position that was reported at the end of the second quarter. Income was projected to be overachieved by £273,000 and there was a projected net underspend of £214,000 on staffing and other expenditure. The 2017/18 proposed Budget had already made provisions for £407,000 of the current year variance where this had been assessed as having an on-going effect.

Members raised a number of queries on the report in respect of; Ignite Business Start-ups, number of visitors to the Leisure Centres, tonnage of residual waste and health and safety issues. Members were advised that they would be

provided with an update either via a written response or verbal update at the next meeting of the Governance Committee.

DECISION: That the report be noted.

41 **KEY FINANCIAL INDICATORS – 28TH FEBRUARY 2017**

INFORMATION: Members considered a report on Key Financial Indicators which provided information on performance for the financial year to 28th February 2017.

Members identified an error in the report in respect of the figure shown under section 'e' of the executive summary which would be updated to represent the correct rate of 96.7%.

DECISION: That subject to amendments put forward by Members, the report on the Key Financial Indicators as at 28th February 2017 was 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.

42 **INTERNAL AUDIT - ACTIVITY REPORT FOR THE PERIOD TO THE 10TH MARCH 2017**

INFORMATION: Members were provided details of and outcomes from the audit assignments completed during the period 15th December 2016 to 10th March 2017.

DECISION: That the activity report for the period 15th December 2016 to 10th March 2017 be accepted.

REASON FOR DECISION: To advise Members of the audit assignments completed for the period from 15th December 2016 to 10th March 2017.

43 **INTERNAL AUDIT PLAN 2017-18**

INFORMATION: Members were advised on the proposed Internal Audit Plan for 2017/2018.

DECISION: Members endorsed the Internal Audit Plan for 2017/2018.

REASON FOR DECISION: That Members endorsed the Internal Audit Plan 2017/2018 to comply with the Public Sector Internal Audit Standards.

44 **EXTERNAL AUDIT WORK PLAN 2016-17**

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 2016/2017 financial year.

The audit would include an opinion on whether the financial statements of the Council gave a true and fair view of the financial position as at 31st March 2017

together with income and expenditure for the year; a statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness; and a review and report 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 2016/17 total £59,756. This may be subject to variation, should additional unplanned work be required.

Members were advised that the overall materiality level for the financial statements of the Council is £1.508 million based on 2% of gross expenditure on the provision of services.

DECISION: That the External Audit Plan 2016/17 together with the agreed audit fees be noted.

REASON FOR DECISION: That Members are aware of the coverage of the External Audit Plan for 2016/17 and the associated costs of the external audit.

45 **ANNUAL GOVERNANCE STATEMENT 2016-17**

INFORMATION: Members considered a report summarising the Council's Governance, risk management and internal control arrangements that had been undertaken to support the production of the Annual Governance Statement for 2016/17

Members were informed that there were no significant internal control issues to be reported for the year. However, there were some areas of continuous improvement or development planned that would provide a more robust process of assurance for 2017/18. Members were informed on the improvements/developments planned which were: to ensure compliance with the General Data Protection Regulations (GDPR), the legal framework for which would come into effect in May 2018; and to carry out an external quality assessment on the effectiveness of the internal audit function.

DECISION: The Committee agreed:

1. The updated Local Code of Corporate Governance as detailed in Appendix A.
2. The Annual Governance Statement 2016/17, as detailed in Appendix B, for signing by the Leader of the Council and the Chief Executive.
3. To delegate authority to the Chair of the Governance Committee to agree any amendments which may be required to the Annual Governance Statement identified after the date of this meeting and prior to 31st May 2017: the date the 2016/17 Statement of Accounts are made available for external audit.

REASON FOR DECISION: To evidence that the Council had conducted a review of the effectiveness of its system of internal control for 2016/17, and to ensure that the Annual Governance Statement for 2016/17 was correct and in order for the Leader of the Council and the Chief Executive to sign.

46 **FORWARD LOOK – TWELVE MONTHS TO MARCH 2018**

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

It was noted that an additional report would be brought to Members at the next meeting of the Governance Committee as a result of Members request for an update in respect of the Third Quarter Performance Management Report 2016-17.

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

47 **GOVERNANCE COMMITTEE ANNUAL REPORT 2016/17**

INFORMATION: Members considered the Governance Committee Annual Report 2016/17 which summarised activities of the Governance Committee during the 2016/2017 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: That the Governance Committee agreed;

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 2016/2017 and to approve its presentation to Council.

48 **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; Members of the Governance Committee were presented with the opportunity to put forward their opinions and to identify any areas where an improvement plan may be necessary.

Members expressed that they felt the self-assessment should be more focused for specific information in order to gain a more detailed evidence base.

DECISION: That the Governance Committee agreed;

1. To review the sections of the self-assessment that have been completed to date.
2. To determine the Committee's responses to the remaining issues in the self-assessment and identify future training needs as appropriate.

REASON FOR DECISION: To assist Governance Committee Members with advice and good practice in carrying out the self-assessment.

The meeting commenced at 7.15pm and closed at 8.23pm

Councillor V Santomauro
(Vice-Chairman in the Chair)