

# Minutes

## Governance Committee

24<sup>th</sup> April 2019



Councillors	Present	Councillors	Present
M Dunn	Yes	R Ramage	No
J Elliott (Chairman)	Yes	Miss M Thorogood	Yes
A Hensman	Yes	Mrs L Walters	Apologies
H Johnson (Vice-Chairman)	Apologies	Vacancy	
G Maclure	Yes	Vacancy	
Mrs J Pell	Yes		

### In attendance:

Tracey Headford  
Jessica Mann  
Angie Mitchell  
Trevor Wilson

Business Solutions Manager  
Governance and Members Officer  
Audit, Insurance and Fraud Manager  
Head of Finance

### 73 **MINUTES**

**DECISION:** That the Minutes of the meeting of the Governance Committee held on 23<sup>rd</sup> January 2019 were approved as a correct record and signed by the Chairman.

### 74 **PUBLIC QUESTION TIME**

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

### 75 **DECLARATIONS OF INTEREST**

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

### 76 **THIRD QUARTER PERFORMANCE MANAGEMENT REPORT 2018-19 (1&2)**

**INFORMATION:** Consideration was given to two reports. The first report regarded the performance of the Council as at the end of the third quarter. The second report related to an update in respect of potential improvements to the Braintree Branch Line.

## **(1) THIRD QUARTER PERFORMANCE MANAGEMENT REPORT**

**INFORMATION:** Members considered a report on the performance of the Council as at the end of the third quarter, from 1<sup>st</sup> October 2018 to 31<sup>st</sup> December 2018.

It was reported that 18 projects had been completed and a further 40 were on track and progressing well. Seven projects were experiencing delays which would ultimately push back their end dates, and one project had been closed in the second quarter of the year. 10 performance indicators had achieved or exceeded their target, three had missed their target by less than 5% and two had missed their target by more than 5%.

Under performance was noted in a number of areas. In respect of the targets for the tonnage of residual household waste not recycled and the average waiting time taken for applicants on the Disabled Facilities Grant, both had been missed by more than 5%. An error was noted in relation to the target for the percentage of household waste sent for re-use, recycling and composting, the figure of which was 50.22% and not 52.22% as quoted in the report. The target was missed slightly at 50.20% and therefore fell within the 5% threshold. It was emphasised that the figures in relation to the tonnage of household waste not recycled, and the figures for the percentage of household waste sent for re-use, recycling and composting were still awaiting final verification by Essex County Council (ECC) and were liable to change. The figure of 95 days achieved in regard to the average waiting time for applicants on the Disabled Facilities Grant was attributed to the complex needs of a number of cases. With regard to the collection rate for Council Tax, the target was missed by less than half a percent, and it was anticipated that the shortfall in this area would not be met as the Council was already aware of the end of year outturn which had been marginally missed, but collections of Council Tax would continue into the next year. The target for the percentage of invoices paid within 30 days of their receipt was also marginally missed, with one invoice not paid within 30 days of its receipt.

Members were informed that a total of 139 complaints were received in the third quarter; two complaints were escalated to Stage 2, one was escalated to Stage 3 and the Local Government Ombudsman had reportedly received three new complaints. It was noted that the figures represented an overall reduction in the number of complaints received compared to previous quarters within the year.

Further comment was also made in respect of the financial position at the end of the third quarter. It was reported that there was an overall positive variance for the year of £703,000 projected against the budget, with a projected variance of £275,000 as staff budgets were forecasted to be underspent by £475,000 and allowing for the corporate efficiency target of £200,000. Other expenditure was projected to be overspent by £284,000, and overall income was projected to be overachieved by £712,000.

**DECISION:** Members noted the third quarter performance report.

## **(2) UPDATE ON BRAINTREE BRANCH LINE**

**INFORMATION:** Members were informed that further to a request submitted at the previous meeting of the Governance Committee, a report had been provided giving an update on the potential improvements to the Braintree Rail branch line. Consideration was then given to the report.

**DECISION:** Members noted the attached report.

**REASON FOR DECISION:** For Members to note the attached report.

## 77 **KEY FINANCIAL INDICATORS – 28<sup>TH</sup> FEBRUARY 2019**

**INFORMATION:** Members considered a report on Key Financial Indicators which provided information on performance for the financial year to 28<sup>th</sup> February 2019.

**DECISION:** That Members accepted the report of the Key Financial Indicators as of 28<sup>th</sup> February 2019.

**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.

## 78 **INTERNAL AUDIT ANNUAL REPORT 2018/2019**

**INFORMATION:** Consideration was given to the annual report of the Audit Insurance and Fraud Manager for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019. The Public Sector Internal Audit Standards required the Head of Internal Audit to deliver an annual internal audit report and opinion to be used by the organisation to inform its Annual Governance Statement. The annual audit opinion gave conclusions on the overall adequacy and effectiveness of the organisation's control framework of governance, risk management and control during the year.

The report provided information on the delivery of the Internal Audit Plan and outcome of audit work, Internal Audit Performance, and processes to ensure quality of output. It was highlighted to Members that the assurance provided could never be absolute, being limited by the scope of work performed.

**DECISION:** That Members accepted the Internal Audit annual report for 2018/2019.

**REASON FOR DECISION:** To accept the Internal Audit annual report for 2018/2019 in support of the Annual Governance Statement.

## 79 **ANNUAL GOVERNANCE STATEMENT**

**INFORMATION:** Members considered a report detailing the annual review of the Council's governance, risk management and internal control arrangements undertaken to support the production of the Annual Governance Statement for 2018/19.

It was reported that the review process included:

- Obtaining assurance from Senior Managers, who report to a member of the Management Board that key control systems have operated effectively within their areas of responsibility throughout the year;
- Reviewing the Council's governance framework against the best practice framework devised by CIPFA/SOLACE;
- Annual update of the Local Code of Corporate Governance: the current version was agreed by the Governance Committee on 12th April 2018; and
- Reviewing all External Audit and Inspection reports and Internal Audit reports.

Following the presentation of the report, a query was raised in regard to the Amber/Green status achieved for the Local Government Association (LGA) Cyber Security Stocktake questionnaire and the reasons for this outcome. It was agreed that a written response would be circulated to Members in order clarify this.

**DECISION:** That the following was agreed:

1. The updated Local Code of Corporate Governance as detailed in Appendix A;
2. The Annual Governance Statement for 2018/19, as detailed in Appendix B, to be signed by the Leader of the Council and the Chief Executive.

**REASON FOR DECISION:** To evidence that the Council has conducted a review of the effectiveness of its system of internal control for 2018/19, ensure that the Annual Governance Statement for 2018/19 is correct and in order for the Leader of the Council and Chief Executive to sign.

80 **DRAFT INTERNAL AUDIT PLAN 2019-2020, AND PROGRESS AGAINST THE 2018-19 INTERNAL AUDIT PLAN**

**INFORMATION:** Members gave consideration to a report on the Draft Internal Audit Plan for 2019/20 and the progress against the 2018/19 Internal Audit Plan.

It was reported that the Draft Internal Audit Plan 2019/20 was based on the Corporate Risks being faced by the Council and was linked to the Council's Corporate Priorities. Delivery of the Plan was dependent on resources and on changing audit needs which could arise throughout the year. The planned work would support delivery of the Head of Audit Opinion for the year.

The Internal Audit Progress Report 2018/19 provided Members with an update on progress against the planned work in respect of the Internal Audit Plan for the period 2018/2019 and any other matters that affected the provision of the Internal Audit Service.

**DECISION:** That Members:

- a) Endorsed the Internal Audit Plan process and draft Internal Audit Plan for 2019/2020;

b) Noted the work completed and in progress in respect of the Revised Internal Audit Plan for 2018/19.

**REASON FOR DECISION:**

The Public Sector Internal Audit Standards (PSIAS) requires the Internal Audit activity to report functionally to the Governance Committee, being the committee charged with independent assurance on the adequacy of the risk management framework and the associated internal control environment.

Members are requested to endorse the draft Internal Audit Plan for 2019/2020 which has been prepared in accordance with the Accounts and Audit Regulations 2015 (Section 5) and which require an effective internal audit of risk management, control and governance processes taking into account the Public Sector Internal Audit Standards and guidance.

This report also provides an update on Internal Audit activity, and progress and performance against the approved Internal Audit Plan in accordance with the Governance Committee role and the requirements of the PSIAS.

The meeting commenced at 7:15pm and closed at 8:08pm.

Councillor J Elliott  
(Chairman)