

## **AUDIT AND GOVERNANCE COMMITTEE**

27 November 2013

### **Present:-**

Councillor Bowkett (Chair)  
Councillors Baldwin, Branston, D J Henson, Laws, Morris, Payne, Ruffle and Spackman

### **Apologies**

Councillors Choules and Leadbetter

### **Also Present**

Assistant Director Finance, Corporate Manager Democratic and Civic Support, Corporate Manager - Legal and Monitoring Officer, Litigation Solicitor, Audit Manager (HP) and Democratic Services Officer (Committees) (SLS)

### **Also Present**

Barrie Morris – Director, Grant Thornton  
David Bray – Senior Auditor, Grant Thornton

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### **MINUTES**

The minutes of the meeting held on 26 September 2013 were taken as read and signed by the Chair as correct.

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### **DECLARATIONS OF INTEREST**

No declarations of discloseable pecuniary interests were made.

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### **ANNUAL AUDIT LETTER 2013 (GRANT THORNTON)**

The Council's External Auditor, Grant Thornton, presented the Council's Audit Judgement. Barrie Morris introduced David Bray, who would also be attending future meetings. Barrie Morris updated the Committee and confirmed that the annual audit letter had been adjusted to take account of the additional financial pressures and demand for services along with welfare reform, and acknowledging the benefits of the Council's Transformation Programme. The certification letter had now been completed and complied with the statutory deadlines.

The Audit and Governance Committee received the letter.

(Letter circulated)

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### **INTERNAL AUDIT PROGRESS REPORT**

The report of the Audit Managers was submitted, advising Members of the work undertaken by Internal Audit during the period 1 July to 30 September 2013. Members were advised that the Council was on target to meet its Annual Audit Plan.

A number of issues were reported for management action which had highlighted concerns relating to an individual area within the Housing Benefit subsidy. In addition, Markets and Halls and the Facilities management had been addressed. In each case, a full explanation of the reasons behind the dispute against the

recommendations, as well as the solutions were given. The Assistant Director Finance clarified the City Council's responsibility in respect of the identified risk when accepting bookings for events at the Corn Exchange. He would pursue the suggestion to amend the booking form and request that the booking artist ensure the liability rests with the hirer. The Corporate Manager Democratic and Civic Support also responded to a comment on the level of discretion he had relating to charges for the hire of the Guildhall to encourage as wide a use as possible. The current scheme included a formally agreed fee, but it was felt desirable that he retain an element of discretion.

The report also outlined the key issues relating to the Council's debt recovery systems, and a number of recommendations would be taken into account when designing the new system. It was noted that the Assistant Director Finance would lead on an urgent review. A Member referred to the changes in the housing benefit subsidy and hoped that a degree of flexibility was offered to those individuals who found themselves in difficulty. He was also concerned that some instances of debt write-offs were not being appropriately monitored. The Assistant Director Finance advised that the City Council was sensitive to the increasing pressures resulting from the welfare reform changes. He agreed, that as part of the urgent review, the report would include a reference to staff resources as well as address the wider issues around the debtors system.

**RESOLVED** that:-

- (1) the Internal Audit Progress Report for the second quarter of the year 2013/14 be noted; and
- (2) a further report be made to the Committee to include the action taken on debtors' recovery.

(Report circulated)

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#### **REVISION OF THE INTERNAL AUDIT PLAN 2013/14**

The report of the Audit Managers was submitted, which sought the Committee's approval for the revision of the 2013/14 Internal Audit Plan due to a planned absence by a member of staff.

**RESOLVED** that the Audit and Governance Committee approved the revised 2013/14 Internal Audit Plan.

(Report circulated)

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#### **PROTOCOL FOR RECORDING COMMITTEE MEETINGS**

The Corporate Manager Democratic and Civic Support submitted a report which asked Members to consider adopting a Protocol to regulate filming and recording of public meetings by members of the public. The protocol would also offer guidelines to protect the public who attend meetings along with a range of sanctions, including the potential for removal from the meeting. A Member raised the issue of ensuring the protection of the integrity of any debate filmed and what safeguards would be in place over future editing to ensure that nothing inappropriate was subsequently broadcast. The Corporate Manager Democratic Services and Civic Support agreed that staff would be vigilant to ensure that the Council was not brought into disrepute. It was noted that the information for members of the public attending meetings would be updated to reflect the new guidance.

**RESOLVED** that the Audit and Governance Committee approve and adopt the Protocol.

(Report circulated)

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### **REGISTER OF INTEREST FORMS AND CODE OF CONDUCT**

The report of the Corporate Manager Legal Services and Monitoring Officer was submitted reminding Members of the following:-

- their obligations to comply with the requirement of Exeter City Council's Code of Conduct for Members,
- acquainting Members with the Department of Communities and Local Government recent Guidance "Openness and Transparency on Personal Interest", which required the declaration of membership of a trade union and
- reminding Members of the provisions of Section 106 of the Local Government Finance Act 1992.

Members were reminded that it was their responsibility to register/declare any interest they may have under Exeter City Council's Code of Conduct. However to assist them to comply electronic declaration forms had been prepared by CML for Members use.

The Corporate Manager Legal Services and Monitoring Officer reminded Members that she would be able to provide advice and assistance and further training on any aspect of the Member's Code of Conduct.

**RESOLVED** that:-

- (1) the report be noted;
- (2) DCLG's Guidance "Openness and Transparency on Personal Interest" be noted; and
- (3) the prohibition on taking part in setting of the council tax when in arrears with their own council tax contrary to Section 106 of the Local Government Finance Act 1992 be noted.

(Report circulated)

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### **PROCUREMENT AND WHISTLEBLOWING TASK AND FINISH GROUP**

Further nominations were sought for the Procurement and Whistleblowing Task and Finish Group.

**RESOLVED** that Councillor Baldwin be appointed to the Procurement and Whistleblowing Task and Finish Group.

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### **PRESENTATION OF THE CORPORATE GOVERNANCE RISK REGISTER QUARTERLY REVIEW**

The report of the Corporate Manager Policy, Communications and Community Engagement advising the Committee of the Council's risk management progress, including the updated Corporate Risk Register as part of the Council's corporate governance arrangements was received.

The Assistant Director Finance responded to a Member's question on the monitoring of individual sub-contractors, and would discuss the scope of the protocol with the Assistant Director Housing and Contracts. He also updated Members on the status and relationship of the City Council to the Cooperative Bank after a Member's concern about the Bank's ability to re-finance. Although the Cooperative Bank had recently given notice for a managed withdrawal from the local authority market, the City Council had also given notice to the Bank to withdraw from using its services. Following a consultation and tendering exercise to identify a new banking contract, it was anticipated that a new Bank would be selected by the middle of December.

**RESOLVED** that the Audit and Governance Committee be noted.

(Report circulated)

32      **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3, of Part 1 of Schedule 12A of the Act.

33      **CORPORATE GOVERNANCE RISK REGISTER QUARTERLY REVIEW (APPENDIX B)**

The Assistant Director Finance presented the report of the Corporate Manager Policy, Communications and Community Engagement which advised the Committee of the changes introduced to the Council's risk management policy and procedures. This included an appendix to the report (Appendix B).

The Audit and Governance Committee noted the details contained in Appendix B.

(Report circulated to Members)

(The meeting commenced at 5.30 pm and closed at 7.05 pm)

Chair