



GOVERNANCE COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

27 NOVEMBER 2013

PRESENT

Councillors M.C.R. Graham MBE (Chairman)
P. Cumbers, J. Douglas, A. Freer-Jones, M. M. Gordon,
V. Manderson, J.T. Orson, N. Slater

PARISH REPRESENTATIVES

Councillor Peter Holbrook
Councillor Ron Marks

OBSERVER

Councillor T. Moncrieff

Chief Executive
Monitoring Officer
Head of Central Services
Senior Democracy Officer
External Auditors from PriceWaterhouseCoopers
Head of Welland Internal Audit Consortium
Admin Assistant

G.45. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J.M. Moulding and M.R. Sheldon.

G.46. MINUTES

The Minutes of the meeting held on 24 September 2013 were confirmed and authorised to be signed by the Chairman.

G.47. DECLARATIONS OF INTEREST

There were no declarations of interest.

G.48. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations from other Committees.

G.49. UPDATE ON DECISIONS

The Chief Executive submitted a report (copies of which had previously been circulated to Members) which provided an update on decisions from previous meetings of the Committee.

An update was provided for item 2 part (3) in that a letter has been issued to the Councillor in question on the system in place at the Council. The Councillor expressed a view they were not happy with the contents of this letter and requested this item stay on the update of decisions. The Chief Executive explained the system in place is an employment matter and this would need to follow Council procedures to include being presented to Joint Staff Working Group and then to the Policy, Finance & Administration Committee; in light of this, the item will be removed from the document.

RESOLVED that the report be noted.

G.50. REVIEW OF INTERNAL AUDIT

The Head of Central Services submitted a report (copies of which had previously been circulated to Members) which updated Members on the outcome of the recent review of Internal Audit commissioned by the Welland Internal Audit Board and the approved action plan.

A discussion was undertaken on the Risk Analysis for which a Parish Representative questioned where the decision came from for monitoring of this area. The Head of Central Services reported this was in line with changes in standards and following an issue at Rutland County Council for which their Members requested for this to be reviewed; This was agreed by the Welland Internal Audit .

RESOLVED that the outcome of the review and the associated action plan be noted.

G.51. INTERNAL AUDIT PERFORMANCE UPDATE

The Head of Consortium submitted a report (copies of which had previously been circulated to Members) which

- (1) updated Members on the work being undertaken by the Consortium to deliver the Council's internal audit service and to support the development of the Committee's capacity to discharge the new responsibilities set out in the Public Sector Internal Audit Standards;
- (2) updated Members on the progress in implementing the Improvement Plan approved by the Welland Board in response to the External Quality Assessment undertaken by RSM Tenon.

The Head of Consortium drew specific attention to the progress that has been made on the Improvement Plan and reported all required changes have now been implemented, with a new methodology is being worked on. It was further reported the effect of these changes will be subjected to an Internal Review, conducted by Rutland County Council, in December.

The Head of Consortium drew the Committees attention to Section 5.3 which explained the 'marginal assurance' rating has been removed and there are now four new categories a control risk can be rated against. This should help to provide a clear level of guidance as to the quality and level of assurance involved for the risk. A Councillor asked, in line with the new assurance categories, where marginal would lie for which the Head of Consortium explained he would need to liaise with the relevant head of service to agree and respond to the Councillor accordingly.

The Councillor continued and asked for confirmation in regards to Appendix 4, for which the areas of improvement looks at the issue of Members applying for a grant. It was reported this will be discussed at a Corporate level and a method be set appropriately; there will now be a level 3 review to pick up issues such as these.

Another Councillor sought clarification on risks and 'discharging the role of the Audit Committee' and question who this Committee was. The Head of Consortium explained this is the Governance Committee who acts as the audit committee; the Chief Executive added this is a risk below the line and is being managed.

A Parish Representative asked when the work will be undertaken for the planned Procurement Fraud for which the Head of Consortium explained this will be in the last quarter, potentially January.

RESOLVED that the report be noted.

G.52. INTERNAL AUDIT CHARTER

The Head of Consortium submitted a report (copies of which had previously been circulated to Members) which sought Member endorsement for a revised Internal Audit Charter.

The Head of Consortium explained this Charter sets out what he, as Chief Internal Auditor should and should not be doing for which it demonstrates and supports the necessary independence of Internal Audit.

A Councillor asked for confirmation that when it states the Charter replaces the CIPFA code as it is no longer applicable in line with changes, are there any other significant changes. The Head of Consortium responded that there were none and the main aim of the charter was to demonstrate auditor independence as with the previous charter.

The External Auditor highlighted that under the responsibilities section it should say 'Internal' rather than 'External' Audit. It was clarified this section refers to it being part of Internal Audit's responsibility to assist the Committee in evaluating the performance of External Audit.

A Parish Representative mentioned that previously when changes have been to documents such as this, they have been provided as track changes to easily identify areas of change. The Head of Consortium explained that in this

circumstance the Charter has been re-written and it would have proved difficult to read if tracked changes were displayed.

RESOLVED that subject to changing the word 'external' to 'internal' audit under the responsibilities section, the Internal Audit Charter be endorsed.

G.53. **URGENT ITEM – ANNUAL AUDIT LETTER 2012/13**

PriceWaterHouse Coopers LLP, the External Auditor, submitted a report which provided a high level summary of the results of the 2012/13 audit work undertaken at Melton Borough Council.

The External Auditor reported this is the summary of Audit but also pulls out key points to highlight to the public, as this letter is published onto the Council Website. The External Auditor continued and explained this is a positive summary and attention has only been drawn to what is felt the public may be interested to know.

The Head of Central Services asked the Committee to note there was an oversight in this being tabled at the meeting and the letter was provided on time by External Audit. Councillor Graham asked for specific thanks to be mentioned to the Head of Central Services and her team.

RESOLVED that the report be noted.

G.54. **EQUALITIES AND DIVERSITY ANNUAL REPORT**

The Head of Central Services submitted a report (copies of which had previously been circulated to Members) which updated the Governance Committee on the progress made by the Council to embed Equality and Diversity within service and policy development and delivery, work undertaken to meet its public sector equality duty as required by equality legislation, but more importantly to deliver services which are accessible and meet the needs of Melton residents.

The Head of Central Services reported an amendment to recommendation 2.1 bullet point 1 as it has been highlighted the official position is 2015 or until such time as a review is initiated by the Peer Review Team. As the Council had not been visited by the Peer Review Team it could be assumed that they felt happy the Council could keep this level up.

A Councillor asked if the report will be presented to Full Council for which the Head of Central Services responded that as Governance Committee has the delegation for Equalities it was not intended for this to happen but there are no reasons why the positive aspects of this report could not be brought to the wider audience.

Councillor Orson proposed that the the positive aspects of the report be brought to the attention of Full Council at its next meeting.

A Councillor raised a concern that they were not aware of how many disabled, deaf and visually impaired people there are in the Borough for which the Head

of Central Services reported the Council has statistics for the profile of our Borough in regards to these protected characteristics. The Councillor suggested they would like the Council to do more to promote these groups and explained a discussion had taken place with a visually impaired resident and was not sure how to highlight issues raised to them as a Councillor. The Chief Executive explained a substantial amount time has been given to train staff on visual and deaf awareness but also there are staff who have been trained in sign language. By training staff it has allowed for skills to be learnt to show how actions can be changed to help communicate with these groups. The Chief Executive further added this is an area for the Voluntary Sector but it was suggested the Council could look to do a little work on the Groups out there and how this could help others in the Borough. A further Councillor explained that during another Committee Meeting, on a discussion about the Universal credit Pilot, it focused on hidden disabilities and how they can be helped.

The Head of Central Services explained the Council has an Equalities Steering Group and she will put forward for this to be included on the agenda, this will look at what mechanisms are out there and how it is best to take this matter forward in order to progress. A Parish Representative mentioned that Voluntary Action Melton used to have a book in place that provided an insight in how to help these groups.

RESOLVED that the report be noted and the positive aspects be reported to the Full Council.

G.55. COMMUNITY CONSULTATION STRATEGY – REVISITED

The Head of Communications submitted a report (copies of which had previously been circulated to Members) which requested approval of a revised Community Consultation Strategy which set out a more robust corporate process for consultation and aimed to breathe new life into the Council's consultation arrangements.

Councillor Graham stated that he felt Councillors should take the lead and therefore proposed to only take forward recommendation 2.2 to consult on the strategy and the results be presented to the April meeting of the Committee. Councillor Douglas seconded.

Councillor Orson stated that he considered that times had changed due to the Localism Act and as an example he mentioned the good way the Reference Groups were involving people in the Local Plan, therefore he felt it was right to work with and take people with you and so moved an amendment to the motion to agree recommendations 2.1 and 2.2 as they stand but amend 2.3 to read '*...the Head of Communications be granted delegated authority to make amendments to the strategy after consultation with the Leader and relevant Lead Member...*' Councillor Gordon seconded. Following a vote 3 were in favour and 5 against and the amendment was lost

The vote was taken on Councillor Graham's original motion and there were 7 for and 1 against therefore the motion was carried.

RESOLVED that the strategy be subject to a public consultation exercise over a 3 month period and the results be reported back to the April 2014 meeting of the Committee.

G.56. **CODE OF CONDUCT – UPDATE ON PROGRESS**

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) which updated the Committee on the latest position with regard to standards matters including the Code of Conduct, the Registration of Disclosable Pecuniary Interests and Other Interests and any complaints against Councillors dealt with under the Council's process.

A Councillor advised that the advice from the Independent Persons had been invaluable; there was a concern raised on the impact on resources mentioned in the report but it was clarified this was with regard to staff time.

RESOLVED that the report be noted.

G.57. **MEMBER CODE OF CONDUCT – COMPLAINTS PROCESS**

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) which reviewed and provided additional clarification and guidance to the Complaints Flowchart approved by Full Council in July 2012.

The Monitoring Officer explained the guidance and how it linked to the existing Complaints Flowchart using corresponding numbers. Following a discussion on how the proposed Sub Committees would work in practice, Councillor Manderson proposed to implement the two Sub Committees as a 12 month trial with set membership and numbers on each. Councillor Freer-Jones seconded but questioned how the memberships of these Sub Committees would be determined and it was noted these would be set up in line with normal procedures and political balance.

It was noted that it could be difficult to get Members on a Sub Committee depending on the time of day and it was noted that they could be held at a time to suit Members.

For clarification of the two Sub Committees, it was noted that Members would be contacted so that membership could be arranged.

RESOLVED that the guidance be approved and referred to Full Council.

G.58. **CONSTITUTION UPDATE 2013-14**

The Monitoring Officer submitted a report (copies of which had previously been circulated to Members) which considered two changes to the Council's Constitution relating to the amount available to be claimed by Members for computer consumables and a small change to the Terms of Reference of the Melton Local Plan Working Group which had been requested by the group. It was noted that any agreed changes were to be referred to the Council for approval.

It was asked if all Members may attend the Melton Local Plan Reference Group meetings and this was confirmed.

RESOLVED that the following changes, as detailed at paragraphs 3.3 and 3.4 of the report, be referred to the Council for adoption

- (1) with regard to the Members' Allowances Scheme, annual budgetary inflation be added to the computer consumables allowance of £50 per year and the scheme be amended to read :-

'Members may claim for computer consumables such as printer cartridges and paper (on the production of a receipt) up to the value of £50.00 per annum per Member and this sum be subject to inflation.'

- (2) the amended Terms of Reference of the Melton Local Plan Working Group as set out at Appendix A.

EXCLUSION OF THE PUBLIC

RESOLVED that the Public be excluded during consideration of the following item of business in accordance with Part 1 of Schedule 12A of the Local Government Act 1972 (Access to Information: Exempt Information) under paragraph 1, 2 and 7.

(The Parish Representatives here left the meeting.)

G.59. **FRAUD UPDATE**

The Head of Central Services submitted a report (copies of which had previously been circulated to Members) which updated Members on the latest position regarding the payment fraud that occurred in September 2013.

Councillor Cumbers requested for it to be recorded she did not take part in any discussion in relation to this item.

RESOLVED that the latest position be noted.

The meeting which commenced at 6.30 p.m., closed at 7.45 p.m.

Chairman