



GOVERNANCE COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

23 JUNE 2014

PRESENT

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

Councillor G.E. Botterill - Substitute for Councillor J.T. Orson

Head of Communication and Monitoring Officer
Solicitor to the Council
Head of Central Services
Head of Welland Internal Audit Consortium
Governance Officer
Admin Assistant

G.1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor J.T Orson.

G.2. MINUTES

Minutes of the Sub Committee 2 - 24 March 2014

The Minutes of the Sub Committee 2 held on 24 March 2014 are to be referred back to the Sub Committee. Two amendments were agreed to be incorporated into the Minutes :-

Page 6 - Item (i). The letter 's' is to be removed from the word privileges.

Page 7 - Paragraph 8. The word 'enforced' is to be replaced with the words 'in force'.

Minutes of the Governance Committee - 2 April 2014

The Minutes of the Governance Committee held on 2 April 2014 were confirmed and authorised to be signed by the Chairman subject to the following two amendments:

G74. Declarations of Interests - Cllr M. M. Gordon did not declare a personal interest at this Meeting, Cllr M.M. Gordon purely requested to have it noted.

G.77. Paragraph 3. The letter 's' is to be removed from the word compliances.

Minutes of the Governance Committee - 1 May 2014

The Minutes of the Sub Committee 1 held on 1 May 2014 were confirmed and authorised to be signed by the Chairman.

G.3. DECLARATIONS OF INTEREST

There were no declarations of interest.

G.4. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations or reports submitted from other Committees.

G.5. 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 this Committee.

Item 4(3) - Benefit and Grant Application Forms

Discretionary Payments (New Applications) and Discretionary Payments (Renewal) Forms were circulated to Members of the Committee to illustrate the declaration wording. Confirmation was received that Item 4(3) of this report has been completed.

Item 6 - Award of Merit Scheme: Awardees

The Terms of Reference for the Award of Merit Scheme will be presented at the September 2014 Meeting.

RESOLVED that

- (1) The report be noted;
- (2) The report be updated to erase Item 4(3);
- (3) The Terms of Reference for the Award of Merit Scheme be presented at the September Meeting.

G.6. INTERNAL AUDIT ANNUAL REPORT

The Head of Welland Internal Audit Consortium submitted a report (copies of which had previously been circulated to Members) to satisfy the Accounts and Audit Regulations by providing Members with the opportunity to consider a report from the Head of the Council's Internal Audit function on the performance of Internal Audit during the year and the 'Internal Audit Opinion' on the Council's system of internal control and its arrangements for risk management and governance.

It is the opinion of the Head of Consortium that the Council's Internal Control Arrangements (the Control Environment) provide a Sufficient Level of

Assurance. Positive assurance was obtained from audits of key financial systems; arrangement for dealing with fraud risks, governance arrangements and risks to service delivery.

The IT Assignments deliver limited assurance. The IT Manager expressed his areas of concerns to Audit for the specific purpose of establishing a baseline from which he could develop and deliver necessary improvements.

The review of the impact of the Improvement Plan will be deferred until the new Head of Consortium is in post.

Following an end of year assessment it is the opinion of the Head of Consortium that the Consortium now operates in 'general conformance' to the Standard.

Appendix 2: Summary of Internal Audit Work Undertaken for 2013/14

From the above documentation, a table has been compiled listing the following Audits along with the Opportunities for Improvement :-

Local Taxes
Cash Handling
Financial Management
Provision of Housing Grants
Procurement Fraud
Tenancy Fraud

Confirmation was received that this document would be circulated to the relevant Officers within the Council for them to provide an update for the September Meeting.

Tenancy Fraud

An explanation was sought on the relevance of sharing photographic identification documents for new tenants with Customer Outreach Workers. The Head of Consortium confirmed that this was purely as a precaution against illegal subletting.

Appendix 3: Summary of Conformance with the Public Sector Internal Audit Standards

A Member requested clarification on why 2030 - Resource Management and 2230 - Engagement Resource Allocation do not confirm with RSM Tenon. Confirmation was received from the Head of Consortium that these two items had now been effectively addressed.

A Member raised a question into the relevance of 2050 - Coordination as it refers to Teachers' Salaries. The Head of Consortium responded by informing the Committee that Appendix 3 was an Assessment of the Consortium as an entity and not specific to Melton Borough Council.

RESOLVED that

- (1) The report be noted;
- (2) An extract of the Summary of Internal Audit Work be disseminated to the relevant Officer(s) to update for the September Meeting;
- (3) Members approved the Annual Report of Internal Audit and the Internal Audit Opinion that it supports.

G.7. INTERNAL AUDIT UPDATE 2013/14

The Head of the Consortium submitted a report (copies of which had previously been circulated) to provide Members to monitor the performance of the Welland Internal Audit Consortium in delivering the Council's Internal Audit Service. This is a key role of the Council's 'Audit Committee'.

The Head of Consortium confirmed that Internal Audit have now commenced work on six of the 18 assignments as set out in the Audit Plan for 2014/15. The Internal Audit Plan will be delivered in full by 31 March 2015. In comparison to the previous year, Internal Audit are a lot further forward with their schedule.

The following four assignments have been substantially completed.

Civil Emergencies
Discretionary Housing Payment
Disclosure and Barring Service
Freedom of Information

A Member requested a presentation or report at the next Meeting on the process of managing a civil emergency disaster.

The following two assignments are currently work in progress:-

Employee Related Fraud
Managing of Debtors

The schedule also always for two of the three ICT Assignments. The new ICT software will be available in July and will help eliminate any minor efficiencies.

It is envisaged that 45% of the Audit Plan will have been delivered by the date of the next Meeting.

The Quality Assurance and Improvement Programme will be deferred until the new Head of Consortium is in post to allow for the opportunity for him/her to contribute to the selection of appropriate quality metrics.

RESOLVED that

- (1) The report be noted;
- (2) Internal Audit to provide a detailed report on outstanding recommendations with effect from September 2104;
- (3) Internal Audit to circulate a list of published reports in advance of future Committee Meetings with effect from September;

(4) The Head of Communities and Neighbourhood to present a report on the Civil Emergency Disaster.

G.8. FRAUD LOG

The Head of Consortium submitted a report (copies of which had previously been circulated) to update Members on the impact of fraud on the Council in 2013/14; on the arrangements for the reporting and investigating fraud; and on the impact of changes coming into effect on 2014/15. One of the responsibilities of the Council's 'Audit Committee' is to have oversight of the Council's counter-fraud arrangements.

Fraud Reporting

The Head of Central Services confirmed that the fraud investigation is still on-going; it is currently in the hands of the Police. Members have been briefed as much as they possibly can.

Fraud Investigation Arrangements

The Council reported eight cases of benefit fraud being detected and that there were six prosecutions. In total, 37 formal investigations were authorised.

As a result of the Single Fraud Investigation Service and proposed transfer of the Benefits Investigation Officer at the end of 2016, the Council will lose a source of expertise. The question was raised of how this gap of expertise would be filled, this question was anticipated from the Chair Briefing therefore the question was directed to the Head of Communities and Neighbourhoods.

The Head of Communities and Neighbourhoods responded 'At this stage we are undertaking an analysis of the impact from the Single Fraud Investigation Service and we are preparing a full report on the impact of the SFIS scheme this will take into account not only what is left and how will this be covered as Phase 1 but also Phase 2 of looking at the opportunities that may arise from this change.

So it's a little early yet to identify the details, but this is in hand and will be in place well before 'transfer' takes place."

The Chair, thanked the Head of the Consortium for all his help and wished him all the best for his retirement.

RESOLVED that

- (1) the report be noted.
- (2) Officer to bring forward proposals for future delivery of fraud investigations later in the year.

G.9. ANNUAL GOVERNANCE STATEMENT

The Monitoring Officer and S151 Officer submitted a report (copies of which had previously been circulated) which explains the requirements for the Council to produce an Annual Governance Statement (AGS) and requests the Committee to approve it;

The Annual Governance Statement is a key component of the Council's governance arrangements. As such, those who are responsible for those arrangements must approve it.

In order to comply with the Accounts and Audit Regulation 2011 an annual review of the effectiveness of its system of internal control is conducted and published with the Annual Governance Statement (AGS) featured as Appendix A which is set out following CIPFA's Guidance. Members were asked to note the administration error within the title which should read 'Annual Governance Statement 2013/14'.

Appendix A clearly illustrates the progress made from last year.

Members requested training on both Data Protection and the Human Rights Act and to gain knowledge and understanding on how the two are connected.

Members were taken through the Emerging Issues Summary featured at Appendix B, highlighting the two issues below carried forward into 2014/15:-

Impact of the spending review and subsequent funding decisions by Central Government and the impact this will have on the Council's finances into the future. It was confirmed that Members would continue to monitor this position.

With regard to issue 2 on the table, a Councillor raised the question on the impact of the Welfare Bill and Universal Credit. The Head of Central Services confirmed that there would be staffing issues, but full details have not yet been released.

The other issue to be carried forward to 2014/14 is the local plan, six reference groups have now been established and have developed the Vision for the Plan which has been adopted by Full Council (18th April 2014).

Members were referred to the Compliance Grid as required under the Data Quality Framework as set out at Appendix C. The Grid clearly illustrates the processes for audit purposes.

All staff at Melton Borough Council undertake Information Security Training as part of their induction process, which is monitored

A Member pointed out that the Grid included a lot of initials/abbreviations. It was suggested that a key be incorporated to the document for ease of use.

The Council have seen an increase in the number of Freedom of Information requests received (549 FOI/EIR requests). It is hoped the authority's new website which is open and transparent should help reduce the number of FOI requests received.

PMITG Meetings are continuing with the next Meeting scheduled for the end of July.

RESOLVED that

- (1) The report be noted;
- (2) The Committee approved the Annual Governance Statement.
- (3) Training be arranged on Data Protection and the Human Rights Act for Members.
- (4) A key to be incorporated into the Compliance Grid.

G.10. MEMBER CODE OF CONDUCT GOVERNANCE SUB COMMITTEE 2 (HEARING STAGE) PROCEDURE

The Monitoring Officer submitted a report (copies of which had previously been circulated) for the Committee to consider a Member Code of Conduct Hearing Procedure and refer the same to Full Council for inclusion in the Constitution.

The document was approved and applied at the Governance Sub Committee 2 Meeting held on 24 March 2014 and has been slightly updated to reflect learning at the Sub Committee.

The following feedback was provided by the Members of the Committee on the procedure:-

The introduction should include how the Chairperson is elected.

Item 5.5 be amended to include the procedure to adjourn.

Item 5.6 be amended to read 'The meeting may be adjourned prior to the decision being made'.

RESOLVED that the Member Code of Conduct Governance Sub Committee 2 (Hearing Stage) Procedure be agreed for referral to the Full Council for approval and inclusion in the Council's Constitution subject to the following amendments :-

- The introduction should include how the Chairperson is elected.
- Item 5.5 be amended to include the procedure to adjourn.
- Item 5.6 be amended to read 'The meeting may be adjourned prior to the decision being made'.

G.11. CODE OF CONDUCT UPDATE

The Monitoring Officer submitted a report (copies of which had previously been circulated) to update 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.

Since July 2012, the Complaints Process has been applied to 26 complaints, with 18 of complaints resolved and the remaining 8 in process. Two complaints have been referred to this Committee for decision and will be discussed at Item 15 on the Agenda.

Training was provided on 30 April 2014 for those on Sub Committee 1.

RESOLVED that the report be noted.

G.12. PAYMENT FOR PARISH REPRESENTATIVES WHEN DEALING WITH PARISH COUNCILLOR COMPLAINTS

The Monitoring Officer submitted a report (copies of which had previously been circulated) to enable the Committee to consider a payment for Parish Representatives when involved in complaints against Parish Councillors at a Governance Sub Committee.

Three Parish Representatives are appointed on an annual basis by the Melton Branch of the Leicestershire and Rutland Association of Local Councils.

The Solicitor to the Council confirmed that Parish Representatives used to receive an allowance when they were appointed to the previous Standards Committee. This role is a less onerous role; however, the Complaints Process requires that a Parish Representative is involved on Parish Councillor complaints and at both Sub Committee stages.

Members were also asked to note that the Independent Persons receive an allowance.

Following a vote the majority of Members were in favour of the recommendation.

Councillor T. Moncrieff requested that his vote be recorded (not in favour).

RESOLVED that it be recommended to the Full Council that the Welland Independent Remuneration Panel be requested to consider an allowance for the Parish Representatives when they are involved in a Governance Sub Committee Meeting.

G.13. CONSTITUTION UPDATE 2014-15

The Monitoring Officer submitted a report (copies of which had previously been circulated) to consider items relating to the Council's Constitution for onward referral to the Council for approval.

Members were asked to consider whether to amend 7.2 of the Procedure Rules relating to quoracy so that the rule reflects the position with the Governance Sub Committee. Members confirmed the proposed amendment to 7.2 be referred to Council for approval and read as follows:-

7.2 In respect of Committees and Sub-Committees quoracy be a minimum of 4 Members or 25% of the whole number of Members, whichever is the greater except in the case of the Governance Sub Committees 1 and 2 which are quorate with 3 Members.

Members also confirmed the proposed amendments relating to Items 48 and 49 Scheme of Delegation to the Head of Regulatory Services as illustrated at Appendix A to reflect a more generic approach to referring to areas of responsibility as opposed to specific pieces of legislation.

Clarification was sought into the wording change to the title of item 49 - Environmental Health inc. (Public) Private Sector Housing. Clarification would be sought and feedback to the Chair. A Member raised the question as to whether it is now lawful to have all dogs chipped. The question will be again raised and feedback to the Chair.

Members were also asked to consider whether to amend the Procedure Rule relating to the 'Recorded Vote'. Following a vote of the Committee it was agreed that there would be no change to this current procedure. Councillor Moncrieff requested to have his vote recorded as not in favour.

RESOLVED that

(1) the Procedure Rule relating quoracy be amended as shown at 7.2 below so that the rule reflects the position with the Governance Sub Committees and refer the same to the Council for adoption and inclusion in the Council's Constitution.

7.0 QUORUM

7.1 The quorum of a Council meeting will be at least half of the whole number of members. During any meeting if the Mayor counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Mayor. If he/she does not fix a date, the remaining business will be considered at the next ordinary meeting.

7.2 In respect of committees and sub-committees quoracy be a minimum of 4 members or 25% of the whole number of members, whichever is the greater except in the case of the Governance Sub Committees 1 and 2 which are quorate with 3 Members.

- (2) the Scheme of Delegation to the Head of Regulatory Services be amended at items 48 and 49 as set out in Appendix A and be referred to the Council for adoption and inclusion in the Council's Constitution.
- (3) the Procedure Rule relating to the 'Recorded Vote' remain unchanged.

G.14. URGENT BUSINESS

There was no other item that the Chairman considered urgent business.

EXCLUSION OF THE PUBLIC

RESOLVED that the Public be excluded during the 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 Paragraphs 1 and 2.

G.15. MEMBER COMPLAINTS

The Monitoring Officer submitted a report (copies of which had been previously been circulated) to enable the Committee to consider the way forward of a complaint that relates to the Conduct of two Parish Councillors who are no longer in post.

RESOLVED that Complaints GOV 13f and 13i be closed due to the resignation of each Parish Councillor prior to the resolution of the complaint in each case.

The meeting which commenced at 6.30 p.m., closed at 8.00 pm.

Chairman

