

**EPPING FOREST DISTRICT COUNCIL
CORPORATE GOVERNANCE GROUP MEETING**

**WEDNESDAY, 25 APRIL 2012
(9.30 - 10.40 AM)**

Present: D Macnab (Acting Chief Executive) (Chairman) B Bassington (Chief Internal Auditor), C O'Boyle (Director of Corporate Support Services), R Palmer (Director of Finance and ICT) and I Willett (Assistant to the Chief Executive)

**Apologies for
Absence:**

Place: Room 1.05, First Floor, Civic Offices, High Street, Epping, Essex

112. MINUTES OF THE PREVIOUS MEETING - 14.3.12

Agreed subject to minor typographical corrections to Minutes 103 and 105 and to minute 110(a) (Job Evaluation) being amended to read as follows:

“C O'Boyle drew attention to some issues regarding the appeals process in respect of Job Evaluation decisions”.

113. MATTERS ARISING

None for this meeting.

114. DECLARATIONS OF INTEREST

None for this meeting.

115. TERMS OF REFERENCE

Noted.

116. EXTERNAL AUDIT - CONSULTATION ON ARRANGEMENTS FOR 2012/13 AND SUBSEQUENT YEARS

The Corporate Governance Group considered a letter dated 16 April 2012 concerning the re-appointment of PKF (UK) LLP to audit the accounts of the District Council for five years from 2012/13, the re-appointment taking effect from 1 September 2012.

The Corporate Governance Group noted that the Audit Commission had completed a procurement process to outsource the work of its in house audit practice and that the Commission had a statutory duty to appoint external Auditors to Local Government and NHS bodies under Section 3 of the Audit Commission Act 1998. The Act also required the Commission to consult local government bodies on the proposed appointment.

The letter went on to explain the timetable for any Council to make objections to the proposed re-appointment of the company which would require the Commission to respond by Friday 8 June 2012.

The Chief Finance Officer reported on informal consultations regarding the Audit Commission's letter which he had conducted with members of the Audit and Governance Committee. The Corporate Governance Group noted that this had attracted expressions of concern about the method of procuring PKF in terms of competitive quotations and value for money. He explained that the appointment of external Auditors was a matter for the Audit Commission and there was no requirement for this Council to conduct its own competitive exercise. Furthermore, the Corporate Governance Group noted that Contract Standing Order C1/1 stated that "where there is a conflict between Standing Orders, financial regulations and any statutory requirements, the Council must comply with statutory requirements".

In view of this, Corporate Governance Group agreed that the appointment of PKF (UK) LLP should be supported and that no adverse comments made to the Audit Commission on this matter.

ACTION:

R Palmer to pursue.

117. STANDARDS COMMITTEE

(a) Localism Act 2011 – New Standards Regime for Parish and Town Councils

Corporate Governance Group received the notes of a meeting held on 11 April 2012 between the Monitoring Officer and Deputy Monitoring Officer and four representatives of local Parish and Town Councils. It was noted that the purpose of the meeting was to discuss a proposal that Parish and Town Councils in the District should establish their own Standards Committee rather than affiliating to the new District Council Standards Committee. At the meeting, a draft constitution prepared by the four Parish Council representatives was discussed and various amendments made.

It was noted that a further meeting would be held in order to take forward the idea, although concern had been expressed by the Parish representatives about the need to raise awareness among other Parish and Town Councils so as to gain support for the proposal.

The Monitoring Officer commented that advice had recently been received from the National Association of Local Councils on a new Code of Conduct and also Standards Committee arrangements. A particular point of concern had been NALC's view that if Parish Councils were operating a Standards Committee they would not be able, under the provisions of the Localism Act 2011, to undertake complaint investigations as these were still matters for the Monitoring Officer. The Monitoring Officer commented that this was a correct interpretation of the Act but did not prevent the District Council's Standards Committee delegating its role on complaints to a Parish Council Standards Committee.

Corporate Governance Group noted the position and asked that a further item be placed on the next Local Councils' Liaison Committee agenda (5 July 2012) to review

the arrangements for the Parish Standards Committee. It was accepted that not all Parish and Town Councils might wish to sign up to this proposed Committee and that it was possible that some Parish Councils would not wish to be involved in a Standards Committee at all, or might choose to affiliate to the District Council Committee. It was noted however that whatever arrangements were finally operated, the responsibilities of the Monitoring Officer, in respect of the District and all Parish and Town Councils, would remain unaltered.

(b) Localism Act 2011 – District Standards Committee

Corporate Governance Group noted that the Council had agreed to hold a special Council meeting on 18 June 2012 to give consideration to proposals for the new Standards regime to operate at District Council level. This would include the terms of reference of the Standards Committee, the complaints procedure and a Code of Conduct. It was noted that a number of external organisations were publishing model Codes of Conduct but that work continued in the PLP to develop final documentation based on the drafts already available.

(c) Complaints – Assessments, Reviews, Investigations and Adjudications

Corporate Governance Group reviewed the current schedule of complaints received under the present complaints regime. The position was noted as follows:

- (a) EFDC 2/2011 – to be deleted from the schedule as a review and assessment decision had already taken place and the deadline for further appeal had passed;
- (b) 3/2011 – complaint withdrawn. Monitoring Officer to visit the Council concerned, after the elections, to discuss governance and Code of Conduct issues;
- (c) 4/2011 – to be removed from the schedule as complainant has agreed not to pursue the matter at this time, pending the outcome of the planning process.;
- (d) 5/2011 – remove from schedule. Initial assessment and review now taken place with original decision upheld;
- (e) 2/2012 – anonymous complaint by several Parish Councillors. Not being pursued as anonymous complaints are not accepted. Monitoring Officer and staff to attend Parish Council meeting on 26 April 2012 to discuss this and related issues;
- (f) 3/2012 – complaint referred to Planning Enforcement for investigation. Subject member revising registration of interest form;
- (g) 4/2012 – no complaint yet received;
- (h) 5/2012 and 7/2012 – complaint by member of staff and District Councillor concerning conduct of a Parish Councillor – referred for assessment on a date to be arranged;
- (i) 6/2012 – complaint referred to Monitoring Officer for advice to be given to the subject member.

ACTION:

I Willett to place item on Local Councils' Liaison Committee regarding Code of Conduct/Standards Committee.

118. CGG MINUTES - SUBMISSION TO AUDIT & GOVERNANCE COMMITTEE

Corporate Governance Group noted that the Audit and Governance Committee, at its meeting on 5 April 2012, considered a report concerning future arrangements for the submission of Corporate Governance Group minutes to that Committee.

It was reported that the Audit and Governance Committee had asked for the following action to be put in hand:

- (a) drafting of minutes of the Corporate Governance Group to be more explanatory and circulated by email as and when published;
- (b) Audit and Governance Committee members to draw attention of officers to any issues they would like to have discussed at the Audit and Governance Committee;
- (c) that a narrative report of the Corporate Governance Group based on the minutes of the meeting and comments made by members of the Audit and Governance Committee on those minutes should be submitted to the Committee twice a year, in future, with such reports being dealt with in either public and/or private session, depending on the content;
- (d) that the arrangements outlined above should be reviewed after one year.

Corporate Governance Group agreed these arrangements.

ACTION:

I Willett to pursue.

119. ANY OTHER BUSINESS

(a) Cabinet Agenda Planning Group – Requests for Reports

The Chief Finance Officer raised an issue concerning the arrangements for notifying Directors of the need to submit reports to Cabinet meetings following consideration at the Cabinet Agenda Planning Group.

It was noted that at the last meeting of the Agenda Planning Group, a Director had been asked to submit a report to the following Cabinet meeting but the report had not actually found its way onto the agenda.

It was agreed that if such requests for reports arose at Agenda Planning Group meetings, references to the need for a report should be included in the minutes of the meeting and also to notify the Director concerned immediately following the Agenda Planning Group meeting.

Concern was also expressed about the Forward Plan of future Cabinet and non executive decisions which had to be published on the website under the Local Government Act 2000.

It was noted that although the Forward Plan for several Directorates was very full and gave a clear indication of business over a considerable period, other Directorates/Portfolios had a very limited list which was felt to be unhelpful to the public. It was also noted that there might be circumstances where key decisions (as statutorily defined) might miss the list and with this in mind, it was agreed that Management Board should be reminded about the need to (a) keep the Forward Plan up-to-date; and (b) bearing in mind the need to designate key decisions where appropriate.

ACTION:

I Willett to refer to Management Board.

(b) Furniture Exchange Scheme

The Chief Finance Officer raised the question of release of District Development Fund (DDF) resources in respect of the Furniture Exchange Scheme.

Corporate Governance Group noted that the Council had now been notified that the scheme would operate under the auspices of a limited company with four persons serving on the Board, including two District Councillors. It was noted also that a request had been made for payment to be made in advance of expenditure being incurred by the limited company.

The Chief Finance Officer made the point that this would be a departure from the Council's normal procedures and in view of the amount of funding involved, he considered it appropriate for the release of the funds to be on the authority of the Cabinet.

Corporate Governance Group therefore asked for a report to be drafted for a future Cabinet meeting to outline the aims and objectives of the scheme, the previous decision in principle to support the venture and the process to be adopted in releasing funds to the limited company so as not to create a liability for EFDC in terms of any direct relationship.

ACTION:

C Overend to draft report for a future Cabinet meeting, taking advice from Legal Section and Accountancy on the detailed arrangements which should operate.

(c) Directors' Governance Assurance Statement 2011/12

The Chief Finance Officer raised the reporting deadlines in respect of the Governance Assurance Statement for 2011/12. It was noted that all responses from Directors were required by 10 May 2012 in order to facilitate a report to the next appropriate meeting of the Corporate Governance Group and to the Audit and Governance Committee thereafter.

It was agreed that a reminder should be sent to all Directors about the need to complete this return which should, in the first instance, be referred to B Bassington.

ACTION:

R Palmer to pursue.

Directors to note.

(d) Gift Registration

The Monitoring Officer notified Corporate Governance Group that she had received an invitation to the FA Cup Final in 2012 and that this was via her husband who had been allocated tickets as a Partner of Berwin Leighton Paisner, being able to take a client or a spouse to the event.

The Monitoring Officer pointed out that she would be attending the event as his wife rather than as a client of Berwin Leighton Paisner but bearing in mind the ongoing work that the company were undertaking on the Langston Road development, she had circulated a written note to other Corporate Governance Group members and had asked for a note of the offer to be placed on her personal file with her declaration of interest.

The Corporate Governance Group noted the action taken.

(e) Buckhurst Hill Parish Council – Support from Human Resources

The Monitoring Officer referred to the decision of Corporate Governance Group on 18 January 2012 to approve a Service Level Agreement in connection with the recruitment of a new Parish Clerk and possible further advice concerning that Council's staff establishment etc. It was noted that the intention was to devise a Service Level Agreement which protected the Council from any risk in giving the advice and very clearly placing responsibility for decisions on the HR issues concerned with the Parish Council rather than the District Council, the latter acting in a purely advisory capacity. It was noted that the Service Level Agreement was intended to operate on the basis of a full recharge of costs for the support.

The Monitoring Officer stated that she would be investigating whether or not the work currently being undertaken for the Parish Council exceeded the terms of the original brief and the exact nature of the contractual arrangements which were in operation.

ACTION:

Monitoring Officer to report back.

120. DATE FOR FUTURE MEETINGS

23 May 2012 at 9.30 am in the Acting Chief Executive's Office.