

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

**WEDNESDAY, 27 OCTOBER 2010
(9.00 - 11.50 AM)**

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

**Apologies for
Absence:**

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

29. DECLARATIONS OF INTEREST

R Palmer declared an interest in Item 13(a) in so far as it related to Case 1/2010 where he was the claimant.

30. TERMS OF REFERENCE

Noted.

31. MINUTES OF THE PREVIOUS MEETING - 8.9.10

Agreed.

32. MATTERS ARISING

(a) Mayoral Referendum (Minute 27)

Noted that there had been no major developments with the Mayoral Referendum since the last meeting.

Noted that if the proposed petition was not received by a date in early November, there was every possibility that if a referendum were to be held it would take place after the May 2011 elections.

Noted that I Willett was preparing a report for the Cabinet at its December meeting on the budgetary provision concerning any referendum.

33. AUDIT COMMISSION - NATIONAL LOCAL GOVERNMENT STUDIES

Draft report of S Tautz regarding a recent Audit Commission Study of "Strategic Financial Management in Councils" agreed for submission to the Audit and Governance Committee subject to inclusion of a statement that most of the recommendations contained in the report were actually being addressed by this Council but that the challenge questions (page 56) were considered useful and should be commended to the Audit and Governance Committee.

ACTION:

S Tautz to revise report and submit to Audit and Governance Committee.

34. AUDIT COMMISSION STUDY - "AGAINST THE ODDS: RE-ENGAGING YOUNG PEOPLE IN EDUCATION, EMPLOYMENT OR TRAINING"

Noted that the Audit and Governance Committee at its meeting on 20 September 2010 had asked for further consideration to be given to the recommendations contained in this Audit Commission report.

Agreed that the Committee be advised that the proposals in the report are being referred to the Local Strategic Partnership and the Epping Forest Children's Partnership for consideration and report.

ACTION:

J Chandler to pursue.

35. INTERNAL AUDIT - QUARTERLY MONITORING REPORT (7 - 9.10)

Agreed that the Monitoring Report for the last quarter be referred to the Audit and Governance Committee subject to the following changes:

(a) inclusion of reference to the user satisfaction level arising from the recent Customer Survey;

(b) schedule (page 9) - minor amendments to audit opinion in relation to overtime and Committee allowances;

(c) schedule (page 12) – minor drafting amendments in relation to Car Mileage Claims;

ACTION:

B Bassington to revise report.

36. INTERNAL AUDIT REPORTS - PRIORITY AND ASSURANCE LEVEL DEFINITIONS

Agreed that the draft report for submission to the Audit and Governance Committee on changes to prioritising audit recommendations and the definition of assurance levels be approved subject to the following drafting changes:

(a) a limited assurance definition to read as follows:

“There is a sound system of control in place designed to achieve system objectives but the controls are being applied but there are some significant weaknesses in control in a number of areas, and/or evidence of significant non-compliance, which are placing some system objectives at risk”;

(b) amend no assurance definition to read as follows:

“The system of control is weak and/or there is evidence of significant non-compliance which exposes the system to the risk of significant error or unauthorised activity.”

Agreed that the application of priorities and assurance levels to Internal Audit reports should remain as a matter for the professional judgement of the Chief Internal Auditor which can be discussed with Directors without detracting from his final judgement.

ACTION:

B Bassington to revise report and submit to Audit and Governance Committee.

37. NORTH WEALD AIRFIELD - WHEELED BIN STOCKS

(J Gilbert in attendance)

Noted that the Audit and Governance Committee had requested a report on reconciling the wheeled bin stock held at North Weald Airfield.

Noted that there had been a stock take on 25 October 2010 which had established that some wheeled bins were unaccounted for.

Agreed that in future there should be two stocktakes per year: (a) in the autumn when bins are prepared for winter storage at which a full count would take place and (b) at the end of March when a simple pallet count would be undertaken.

Agreed that a report be submitted to the Audit and Governance Committee on these matters.

Agreed that a risk report should be submitted to the Safer Greener Cleaner Standing Scrutiny Panel dealing with the Refuse Collection Service on possible risks surrounding the future of the waste disposal service and provision of depot accommodation.

ACTION:

J Gilbert to pursue.

38. INTERNAL AUDIT REPORT NUMBER 569 - OVERTIME AND COMMITTEE ALLOWANCES 2010

Noted that this Internal Audit report gave an overall rating of substantial assurance in respect of overtime and Committee allowance payments.

Noted that, in an advisory comment included in the report, it was suggested that consideration be given to the introduction of an attendance form to be signed by officers attending evening meetings.

Agreed that an officers' attendance form be introduced for future meetings and advice given to all members of staff that if they do not sign it was possible that their payment of allowances would not be paid unless other evidence could be produced.

Agreed that members be encouraged to give advanced notice of queries they were likely to raise so that Directors could decide whether specialist staff were required at the meeting.

ACTION:

I Willett to pursue.

Directors to note.

39. HEAD OF PAID SERVICE, MONITORING OFFICER, CHIEF FINANCE OFFICER - DRAFT PROTOCOLS.

Noted that the Constitution and Member Services Standing Scrutiny Panel were shortly due to receive a report on protocols to regulate the relations between the Council and its three statutory officers.

Agreed that the three draft protocols, based on an Audit Commission model, be approved for submission to the Constitution and Member Services SSP and that all three be submitted to the Standards Committee for their observation.

Agreed that, although the Audit and Governance Committee Chairman had requested that a Monitoring Officer protocol be introduced, these model protocols be not submitted to the Audit and Governance Committee but in accordance with their audit role they may wish to receive a progress report in due course.

ACTION:

I Willett to pursue.

40. FORMER CHIEF EXECUTIVE - FIXED TERM EMPLOYMENT CONTRACT 2007

Noted that the Council's External Auditor had requested clarification as to whether any internal or external legal advice had been sought on either the form or content of the ex-Chief Executive's Fixed Term Contract 2007.

Noted that D Macnab had written to C O'Boyle (Solicitor to the Council) and T Tidey (former Head of Human Resources) for their recollection of how the contract was drafted and the legal advice received.

Agreed that the question of external legal advice direct to Members of the Council at that time also needed to be researched.

ACTION:

D Macnab to pursue.

41. RETURNING OFFICER - PERFORMANCE STANDARDS

Noted that the Electoral Commission had recently published the results of its review of this Council's performance on elections and that against all standards except one the standard had been met.

Noted that the remaining performance standard had been assessed as above that level.

Agreed that this information be published in the Council Bulletin and that a further report be submitted on the performance report on electoral registration.

ACTION:

I Willett to pursue.

42. ETHICAL FRAMEWORK - FUTURE ARRANGEMENTS

Noted that the National Association of Local Councils had issued a legal briefing on the future of the Standards Framework (including Standards Committees, Code of Conduct, Standards for England and other aspects) in the light of recent government statements regarding the abolition of the Standards Board regime.

Noted the main features of the announcement were as follows:

- (a) proposed abolition of the standards regime applicable to Councillors in England as contained in Part 3 of the Local Government Act 2000, including the Model Code of Conduct, Standards Committee, Standards for England the First Tier Tribunal;
- (b) interim arrangements for the determination of existing complaints regarding breaches of the Code of Conduct as at the date of the abolition of the Standards regime;
- (c) introduction of new arrangements for Councillors to register certain personal interests (not yet defined but likely to include financial interests) in a publicly-available register;
- (d) creation of a new criminal offence if a Councillor fails to register a relevant personal interest or deliberately seeks to mislead the public about such interests;
- (e) introduction of a power for Councillors to vote on matters where they may have a pre-disposition but have not pre-determined, thereby permitting Councillors to speak and vote on the very issues they have been elected on or have an interest in;
- (f) introduction of new powers to strengthen the role of the Local Government Ombudsman.

Noted that the Bill was likely to take effect from early 2012.

43. STANDARDS COMMITTEE**(a) Assessment Reviews and Adjudications**

Noted that three complaints were now proceeding to the adjudication process.

Noted that one new complaint was being dealt with at the present.

(b) Nazeing Parish Council – Direction from Standards for England

Noted that the first phase of training dates under the Direction had now been confirmed and were due to take place over the period up to Christmas.

Noted that the second phase will commence in the New Year.

(c) Parish Councillor – Leading Counsel’s Advice

Noted that at the request of the Parish Council, Leading Counsel's advice had been obtained in respect of the qualification for office for one co-opted Parish Councillor.

Noted that the advice had shown that although the member in question was not qualified to be a Councillor for a period up to 2009, this restriction was now time expired under the Local Government Act 1972.

Noted that this had been discussed with the Parish Clerk and the Member concerned and it was likely that there would be further developments before the May 2011 Parish Elections.

44. PROCUREMENT - MARKET TESTING & THE HUB

Noted that the Portfolio Holder for Legal and Estates had expressed concern about the manner in which the Civic Offices window contract had been procured recently.

Noted that procurement had been via a framework agreement of London Housing. but the Councillor concerned was not satisfied that the authority could demonstrate best value as only two companies were included in that Agreement.

Noted that the Leader and Deputy Leader had also expressed concern about the Hub which they considered more suitable to supplies rather than professional services and had requested a report to the Cabinet to change Contract Standing Orders to give Directors a choice of using the Hub but also adding on other quotations or tenders invited directly so to ensure best value.

Noted that some Framework Agreements in the Hub were now being re-negotiated and that it remained open to Directors to make a choice at the outset as to whether or not they felt that the Framework Agreement within the Hub offered the best opportunity of securing competitive bids.

Agreed that it would be inappropriate to mix the Hub framework agreement and other tenders or quotations as this was open to challenge.

Agreed that the Working Group on Standards Orders etc should review Contract Standing Orders to make this initial choice available to Directors regarding procurement methods absolutely clear.

ACTION:

I Willett to pursue.

45. ELECTORAL REGISTER - REQUEST FOR THIRD PARTY DATA ACCESS TO PERSONAL DETAILS

Noted that a request had been received from a member of the public for the address details of a public figure included on the Electoral Register.

Noted that this request had been refused following advice from the Electoral Commission although this line was in conflict with advice obtained by the applicant from the Information Commissioner.

46. LANGSTON ROAD DEPOT AND T11 SITE - REDEVELOPMENT PROPOSALS

Noted that one of the three firms to be asked to tender for external legal advice in connection with the development of the depot and the T11 sites in Langston Road Loughton, was the employer of the Monitoring Officer's husband and that she would therefore not be taking any part in this procurement.

Noted that although the Monitoring Officer's husband was not directly involved in this particular branch of the firm's business, all legal questions arising from this development proposal would be dealt with by the Assistant Director (Legal Services).

Agreed that the Monitoring Officer should make a registration of interest with Human Resources to reflect the interest.

ACTION:

C O'Boyle to pursue.

47. LIQUIDATION OF A COMPANY PROVIDING SERVICES TO THE COUNCIL

Noted that discussions had been progressing regarding the appointment of a liquidator to deal with the assets of the company formerly in contract with the Council.

Noted that a liquidator had been suggested by the Portfolio Holder for Legal and Estates but this company had not responded quickly or enthusiastically enough to the Council's approach and that therefore preference had been given to another liquidator used in other cases as that firm had already proxies on behalf of other Councils which were in the same position as this authority.

48. AUDIT AND GOVERNANCE COMMITTEE - REPORTS FOR THE NEXT MEETING

Noted that reports on International Financial Reporting Standards, Treasury Management and the Benefits Section Action Plan would be circulated separately as draft to CGG Members.

49. COUNCIL TAX - COUNCILLORS

Noted that two Members of the Council had recently been sent first reminders for non payment of Council Tax.

ACTION:

R Palmer to monitor.

50. CORPORATE GOVERNANCE GROUP - REPORTS ON MAJOR GOVERNANCE OR FINANCIAL ISSUES

Agreed that in future on matters of significance in terms of governance and finances there needed to be written reports to CCG with regular updates thereafter.

ACTION:

CCG Members to note.

51. DATE OF NEXT MEETING

Agreed that the next meeting be rearranged to 8 December 2010 subject to a check by R Palmer as to whether this date fitted the timescale for submission of reports to the Audit and Governance Committee.