

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

**WEDNESDAY, 16 MAY 2007
(9.00 AM - 12.45 PM)**

Present: J Scott (Joint Chief Executive) (Chairman) P Haywood (Joint Chief Executive), J Akerman (Chief Internal Auditor), C O'Boyle (Head of Legal, Administration and Estates), R Palmer (Head of Finance) and I Willett (Head of Research and Democratic Services)

**Apologies for
Absence:**

Place: P. Haywood's Office, Civic Offices, Epping

98. MINUTES OF THE PREVIOUS MEETING - 7.3.07

Agreed.

99. MATTERS ARISING

(a) Audit and Governance Committee – Appointment of Independent Member (Minute 94)

Noted that Mr N J Purkis was being recommended for appointment to one of the two seats reserved for independent person on the Committee and that this will be dealt with at the Annual Council Meeting on 17 May 2007.

100. STATEMENT OF INTERNAL CONTROLS 2006/7

Agreed that the draft statement of internal controls for 2006/7 be approved subject to the following amendments:

(a) Paragraph 3.1.1 – make reference to connections with other Council planning documents.

Paragraph 3.1.5 – add reference to the adoption of an officer Code of Conduct and to this building on previous controls.

Amend fifth paragraph to remove some details.

Amend eighth paragraph.

Paragraph 3.1.7 – delete “now” from first bullet point and amend second paragraph by adding “financial” before “performance” in the penultimate line.

Paragraph 3.1.9 – check total numbers of BVP/LPIs and clarify date of Cabinet meeting.

Paragraph 4.8 – draft CGG summary agreed at the meeting and to be circulated in draft for approval by each CGG member.

Paragraph 6.1 (renumbered) – revise to put in context with successes in dealing with fraud issues and make reference to the only weaknesses being occasional failures to apply the existing rules. Also distinguish between KLOE and control aspects in the text.

Paragraph 6.3 – Delete existing wording and substitute new section regarding budget reconciliations.

Agreed that a revised draft of the statement of internal controls be circulated to each CGG member for final approval.

Action:

J Akerman to revise statement and circulate as draft for comments from CGG members.

101. INTERNAL AUDIT - REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

Agreed that the draft report on the review of effectiveness of the system of internal audit be approved for submission to the Audit and Governance Committee on 25 June 2007 subject to the following alterations to the supporting questionnaire document:

4.1.1 – Amend “yes” to “partial” in view of the establishment of the Audit and Governance Committee in 2007/8.

6.2.1 – Amend para (d) to “partial”.

7.1.3/7.2.4/7.2.5 – clarify in the evidence column the transitional arrangements between the Audit and Governance Committee and the Finance and Performance Management Cabinet Committee.

7.1.3 – amend to “partial”.

7.2.4/7.2.5 – amend to “partial”.

8.3.3 – make reference to current work being undertaken to formulate an access policy in relation to audit files and records.

10.2.7 – amend (b) to “partial”.

11.3.2(a)(ii) – leave entry blank.

Main report – Paragraph 17 – add reference to the role of Management Board including executive summaries of audit reports going to Joint Chief Executives for consideration and reviews by Management Board and SMT where appropriate.

Paragraph 17 – summary of findings – statement agreed at the meeting: CGG satisfied that effective internal audit control arrangements existed in 2006/7 based on the evidence available to them. Furthermore, there was no evidence which indicated that this view was incorrect and discussions with the Chief Internal Auditor at the meeting indicated that this statement was valid.

Draft statement to be prepared by I Willett following the meeting and cleared with each member of the CGG on an individual basis.

Recommendations

(a) Reframe recommendations to refer to a review conducted by the Corporate Governance Group for 2006/7 pending the inauguration of the Audit and Governance Committee;

(b) Recommend that a further report be made to the November 2007 meeting of the Audit and Governance Committee to determine procedures to be operated in the future by that Committee.

Action:

I Willett to circulate summary of finding document as a draft for approval by all CGG members.

102. CORPORATE RISK REGISTER

Agreed that the amended Corporate Risk Register be approved for the purpose of reporting to the Finance and Performance Management Cabinet Committee subject to the following points:

(a) further discussion at the next meeting of the Committee on fraud issues;

(b) Risk 24 – clarification of risk concerning use of investment income for services, making reference to this being an Audit Commission requirement without explanation.

Action:

R Palmer to revise report.

103. LANGSTON ROAD, LOUGHTON - T11 TENDERS

Noted that bids for the purchase of this site had now been received as follows:

(a) total received 21;

(b) two received after the deadline due to delays with the couriers reaching the Council Offices;

(c) two envelopes were identifiable due to Post Office labels being added as part of special delivery procedures;

(d) one tender received two and a half days after the closing date by fax.

Agreed that the fax tender be discounted as being susceptible to collusion.

Agreed that the tenders received shortly after the deadline be taken into account as there was a minimal possibility of collusion having occurred.

Agreed that the two envelopes which were identifiable through Post Office procedures be accepted for opening purposes.

Agreed that a meeting be held with the Leader of Council to explain these departures from Contract Standing Orders and recommending the action proposed above, this to be carried out prior to any tender being opened.

Action:

P Haywood, J Scott and I Willett to discuss with Leader of the Council.

104. ANNUAL REVIEW OF CONTRACT STANDING ORDERS, FINANCIAL REGULATIONS AND OFFICER DELEGATION

Noted that this review had now been completed with the adoption at the April 2007 Council meeting of revised financial regulations.

Noted that the next annual review would commence after the summer recess 2007.

105. STANDARDS COMMITTEE

(a) Code of Conduct

Noted that a new Code of Conduct for Councillors had been brought into force with effect from 7 May 2007 and that the Standards Committee was recommending that this be formally adopted at the Council meeting in June 2007.

Noted that the first training course on the new Code was held on 9 May 2007 and at a later stage would be available through the website as a webcast;

(b) Review of Planning Protocol

Noted that revisions agreed at the April Council meeting were now being prepared for publication in the Constitution.

Noted that a further review of this document was required following the adoption of the new Code of Conduct in June 2007;

(c) Membership of the Standards Committee

Noted that Mr Murray Wright had been appointed as one of the three independent members of the Standards Committee with effect from 17 May 2007 on the retirement of Dr D Hawes;

(d) Complaints/Investigations

Noted that there were no current investigations or complaints to report.

106. DATE OF NEXT MEETING

20 June 2007 at 9 am.