

**MINUTES of the meeting of Audit and Governance Committee
held at Council Chamber, Shire Hall St Peters Square Hereford
HR1 2HX on Thursday 14 April 2016 at 2.30 pm**

Present: Councillor BA Durkin (Chairman)
Councillor FM Norman (Vice Chairman)

Councillors: DW Greenow, EPJ Harvey, PD Newman OBE, J Stone,
EJ Swinglehurst and LC Tawn

In attendance: Councillor AJW Powers

Officers: Annie Brookes, Peter Robinson and Claire Ward

121. APOLOGIES FOR ABSENCE

Apologies were received from Councillors DG Harlow, RJ Phillips and ACR Chappell.

122. NAMED SUBSTITUTES (IF ANY)

In accordance with paragraph 4.1.23 of the Council's Constitution, Councillor DW Greenow attended as substitute member for Councillor RG Phillips and Councillor EJ Swinglehurst attended as a substitute member for Councillor DG Harlow.

123. DECLARATIONS OF INTEREST

None

124. MINUTES

It was agreed and noted that the resolutions, originally taken from the committee report recorded in 116 of the minutes (external audit update) be amended to; 'the report be agreed and noted'

RESOLVED:

That the minutes of the meeting held on the 4 March as amended be confirmed as a correct record and signed by the chairman.

125. CHAIRMANS ANNOUNCEMENTS

It was noted that chairman's announcements did not appear on the agenda and with the committee's agreement this was added to the agenda.

Interviews had been held for the position of independent persons (standards) and Mr Richard Stow will be recommended for appointment. A report will appear on the May agenda for audit and governance.

An action sheet would be developed to record matters arising from the committee.

It was confirmed that the director of resources would write to the chairman to confirm that all actions contained in the external audit update report before committee in March 2016 had been actioned.

126. PROGRESS REPORT ON 2015/16 INTERNAL AUDIT PLAN

Members were provided with an update on the progress of internal audit work and to bring to their attention key internal control issues arising from work recently completed.

Members attention were drawn to the significant findings of the report on page five of appendix A which were;

- home to school transport
- pensions auto enrolment
- capital accounting

These were findings that were identified as being high priority and therefore should be brought to the committee's attention. With all three findings a partial assurance was given with the definition being that some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

A member raised concerns regarding school transport value for money and the adherence to contract procedure rules and sought assurances that a robust approach to these points was being pursued. It was also mentioned that in terms of the capital programme any improvements in the information contained in the reports particularly in regard to transport schemes would be welcome.

In response to discussion around the tracking of and the implementation of recommendations contained in audit reports it was explained that the role of audit reports was to provide assurance to committee that the necessary systems are in place and are being managed effectively. It is the responsibility of officers to implement the recommendations contained in reports, however, it would be helpful if some recommendations were monitored especially those attracting a level five priority.

Resolved:

That the report be noted.

127. COMMUNITY GOVERNANCE REVIEW

The governance manager presented the report.

The audit and governance committee had previously received a report in September 2015 setting out the reasons for considering undertaking a community governance review, with an agreed timetable by which the information necessary to assess the case would be collated.

Working closely with HALC (Hereford association of local councils) consultations to gather the views of parish councils to inform recommendations a range of information was collated including current elector numbers per parish, the number of uncontested seats in the 2015 local elections and the number of seats remaining vacant after the election. In addition parishes were asked to identify any issues they would wish a CGR to address and the views of the ward members were also sought.

Consultation responses from parishes had identified that there were a number of parish councils where a review would be beneficial. Moreover, research had identified a number of other parishes that might benefit from a review but which had not responded, or had not responded in favour of a review. It was recognised that a large number of

parishes had not responded to the consultation or had expressed satisfaction with the status quo.

In response to a question regarding possible budget availability to cover the recommendations in the report the governance manager confirmed that there was a budget available and that the different options in the report had a different cost but that it was not a big difference between them.

A member responded by recognising that resources at this time are spread thinly and that either way there would be associated costs.

The governance manager agreed with a comment that it appeared unlikely that an approach that would satisfy all would be found and added that if parishes were forced to adopt change then it is likely that this would be met with some opposition and that this should be considered in the approach taken.

A member reflected on the large amount of uncontested seats recorded in the report and suggested that this reflected a general lack of appetite for change and therefore this might not be the point in time to proceed with change and the resulting associated costs.

RESOLVED:

To progress a series of targeted CGRs focussed on the parishes/issues identified in paragraph nine of the report as requiring a review;

To request that draft terms of reference for such a review be drafted for full council consideration.

128. EMPLOYEE SURVEY REPORT

It was agreed by the committee that item seven on the agenda, the employee survey be brought forward for discussion.

The chief executive presented the employee survey report for 2015.

The employee survey has been conducted regularly over the last few years. In 2015 a new approach was taken which was meant that the survey was conducted three times during the year to a randomly selected third of the organisation each time. This was known as a pulse survey which enables the organisation to monitor how things were going within the organisation and the ongoing views of staff.

The 50% response rate was not as high as desired and it was accepted that further work was required in respect of colleagues accepting that their views were important.

The key findings from the survey results in comparison to the previous year were highlighted, these were;

- change for the better
- change for the worse
- strengths to build on
- areas for improvement

With the following points made

It was recognised that there had been a lack of resources in some areas in the past however the authorities continuing aim is to be a good employer and that attracting and retaining of staff remains important.

It was understandable that there was an opinion from staff that the council lacks a sense of direction given the ever changing financial situation that all councils are now having to manage. The council can do more in terms of communications to staff in terms of developments and changes that have to be managed.

Concern was expressed on the point of bullying and while it was recognised that the manner in which the public sometimes engage cannot be controlled, bullying and harassment from officers and members should not happen.

The chief executive also focussed on actions contained in point eight of the report.

The review of council office accommodation was ongoing with a view to reducing the property portfolio so that resources can be targeted towards provided services rather than maintain empty offices.

Council wide sessions had taken place to engage in staff dialogue and direction. Staff should be reminded and congratulated in their achievements in what has been and still is in many respects a fluid landscape in terms of local government.

The transition from appraisals to the personal development programme was explained which seeks to confirm individual objectives and clarity for staff. There will be a focus through these assessments of delivering results and the personal impact staff can bring to bear in achieving results.

In response to a members question regarding tackling harassment from members the chief executive explained that the fact that this point has been included in the survey goes some way in demonstrating that the council does take the subject seriously. He confirmed that he had taken the matter up with members and whilst the incidents were low everyone concerned should strive for a zero figure in this respect.

A member queried whether there was any correlation between services that experienced a higher volume of interaction between service users comparing adult wellbeing and economy and corporate and the figures given for harassment. From the responses given it was difficult to understand the underlying issues within each service delivery area but improved dialogue and communication between staff and managers a better understanding of the issues would emerge. It was also considered that if a service experiences a higher volume of interaction between users this should not automatically translate to a higher experience of harassment or bullying.

A member requested that in future trend analysis (quoting statement 24 in the report where it could be seen that the three quarterly figures shown for 2015 were 5%, 5% and 19%) could be included otherwise it was difficult to make any judgement on the reasons for the apparent rise in figures presented. In response to the members point it was agreed that some further analysis would be beneficial.

RESOLVED:

That the report be noted

129. WORK PROGRAMME UPDATE

The committee's updated work programme was presented, which required updating to include the appointment of the independent person for the May committee.

The risk register working group' report would be on the agenda in May for consideration by the committee.

A draft work programme for 2016/17 would be on the agenda in May for consideration by the committee.

It was discussed and agreed that a report on the activity of the committees working groups be a standing item on the agenda.

RESOLVED

That the work programme be updated

The meeting ended at 4.40 pm

CHAIRMAN