

MINUTES of the meeting of Audit and Corporate Governance Committee held at Council Chamber, Brockington, 35 Hafod Road, Hereford HR1 1SH on Thursday, 3 July 2008 at 9.30 a.m.

Present: Councillor ACR Chappell (Chairman)
Councillor RH Smith (Vice Chairman)

Councillors: MJ Fishley, JHR Goodwin and R Mills

In attendance: Councillor AT Oliver

101. APOLOGIES FOR ABSENCE

Apologies were received from Councillors B Hunt and AM Toon.

102. NAMED SUBSTITUTES(IF ANY)

There were no named substitutes declared.

103. DECLARATIONS OF INTEREST

There were no declarations of interest made.

104. MINUTES

RESOLVED: That the minutes of the meeting held on 20 June 2008 be approved as a correct record and signed by the Chairman subject to the following amendments;

(a) page 4 (paragraph 4), item 93: Audit Services Assurance Report 2007/08

Amended minute to include; 'Councillor RH Smith expressed concern about the unsatisfactory results and sought assurances that improvements were taking place especially in relation to the findings outlined in paragraph 39 (d) and (e) of the report.'

(b) Page 5 (paragraph 5), item 94: Annual Governance Statement 2007/08

With reference to data quality, minute to be amended to read; 'Councillor RH Smith referred to page 31, paragraph 16 regarding data quality and asked when the Committee would receive a progress report outlining the Council's improvement in relation to data quality'.

(c) Page 7, item 100 (paragraph 3): Joint Internal Audit Plan 2008/09

With reference to Business Continuity Planning, minute to be amended to read; '..arrangements for the Council and reminded

the Committee that a Business Continuity Plan was to have been produced by 31 March 2008. To date the item had not been considered by the Audit and Corporate Governance Committee.'

RESOLVED: That under section 100 (A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Schedule 12(A) of the Act, as indicated below.

SUMMARY OF THE PROCEEDINGS OF EXEMPT INFORMATION

The Committee considered the exempt minute of 20 June 2008 and resolved to approve its content as a true record.

105. REVIEW OF CODE OF CORPORATE GOVERNANCE

Alan McLaughlin, Assistant Chief Executive Legal and Democratic, introduced the report and informed the Committee that the Code of Corporate Governance, for consideration by the Committee, reflected the current guidance jointly produced by CIPFA/SOLACE. The Code of Corporate Governance also took account of the requirements of the Accounts and Audit Regulations 2003 (as amended) and was considered to be best practice within local authorities. The Committee was informed that a framework which supported the Code of Corporate Governance process was approved by Cabinet on 27 March 2008.

Cllr J Fishley stated that it was her view that the document attached as Appendix 2, (which reflected previous guidance), provided greater clarity in approach and advised that the content of Appendix 1 as currently presented (the revised code for consideration) proved too long and turgid a document for any constructive purpose.

The Chairman, Cllr C Chappell, reminded Councillors that the Code of Corporate Governance originated from guidance published jointly by CIPFA and SOLACE, and whilst it was acknowledged that some of the language used in the document did not sit well with Members, it would be difficult to deviate from the form of words published.

Councillor R H Smith advised Members of the background to the report on the Code of Corporate Governance being considered outside of the scheduled meeting of 20 June 2008 (at which it was originally due to be considered) and advised Councillors that, following considerations by the Chairman and himself as Vice Chairman, together with the Chief Executive and Assistant Chief Executive Legal and Democratic Services, it was determined that a revised report be submitted for the Committee's comments and approval. The Committee were also advised that the Vice Chairman would be in attendance at the Standards Committee on 4 July when the item would be further considered.

Councillor R Mills stated that whilst it was appreciated that a Code of Corporate Governance was necessary, the document as currently presented could be considered to be too broad as the principles outlined covered every eventuality.

Members were advised that typographical errors contained within the document would be amended.

RESOLVED that:

(a) The Audit and Corporate Government consider and agree the

revised Code of Corporate Governance for consideration by the Standards Committee for onward approval by Cabinet.

(b) The Chairman of the Audit and Corporate Governance Committee (or nominee) attend the Standards Committee on 4 July 2008.

(c) The Audit and Corporate Governance Committee receive a report formally reviewing the Code of Corporate Governance at the meeting scheduled to be held on 20 March 2009.

106. SCHEME OF DELEGATION

Alan McLaughlin, Assistant Chief Executive Legal and Democratic, presented a report on a revised Scheme of Delegation for consideration and approval by the Committee. The document under consideration (attached as Appendix 1 to the report) incorporated the comments agreed by the Committee at the meeting held on 21 December 2007, together with the amendments received from the Constitutional Review Working Group at their meeting in 16 April 2008. In addition, the revised Scheme of Delegation incorporated the new senior management team arrangements. Members were informed that the Scheme of Delegation was to be considered by the Joint Management Team on 7 July 2008.

Councillor R H Smith advised the Committee that the Scheme of Delegation had been scheduled for consideration at the meeting held on 20 June 2008, however the report had been withdrawn in order to allow for further considered work to be undertaken which took account of substantive comments received from the Chairman and Vice Chairman. The Vice Chairman informed the Committee that he had taken exception to parts of the original report and the Scheme of Delegation which he considered not to be acceptable and advised Members that the original document made available for comparison purposes did not reflect the accurate starting position.

In commenting on the report and appendix on the agenda, Councillor R H Smith suggested the following amendments for consideration:

- (i) Page 25, paragraph 12.4.7: ‘..the Cabinet Member *shall concur* to sign..’, to provide the Cabinet Member with an option not currently given under the existing wording of, ‘..the Cabinet Member *must* sign..’
- (ii) Page 39, paragraph 12.14.11: The word ‘all’ to be included to read; ‘..funding implications are factored into *all* decisions from the outset.’

In addition, Councillor RH Smith raised the following items for consideration:

- (iii) Page 33, paragraph 12.7.40: That Members be provided with the list of preferred Council suppliers on request.
- (iv) Page 34, paragraph 12.7.45 : Human Resources. The Scheme of Delegation under consideration did not outline any delegated responsibilities for the Assistant Chief Executive Human Resources and Councillor RH Smith stated he did not support the Council’s current convention of authorising Members of the JMT to appoint, dismiss and discipline staff (together with other matters).

In relation to issue (iv) above, Officers advised the Committee that all members of JMT were subject to requirements as set out in Appendix 6 of the Council’s Constitution (Appointment and Discipline of Employees) and that the Assistant Chief Executive Human Resources developed relevant corporate policy and provided advice and guidance as required. Members were also reminded that the views of JMT would be sought at their meeting on 7 July 2008 and any

substantive amendments considered by the Chairman and Vice-Chair of the Audit and Corporate Governance Committee.

RESOLVED that:

- (a) the Committee comment on and approve in principle the revised Scheme of Delegation attached as Appendix 1, subject to the inclusion of amendments outlined in (i) and (ii) above. It was further agreed that paragraph 12.7.45 be revised to read; 'Subject to Appendix 6 of the Council's Constitution, all members of JMT are authorised to ..'**

- (b) Members noted that the Scheme of Delegation (Appendix 1) would be considered by the Joint Management Team on 7 July 2008. Approval was sought that, should the comments from JMT require substantial (non technical changes) to the revised Scheme of Delegation, the Chairman and Vice-Chairman of Audit and Corporate Governance be informed and their approval sought for ratification of such changes prior to formal adoption by Council on 25 July 2008.**

The meeting ended at 10.00 a.m.
<LAYOUT_SECTION>

CHAIRMAN