

MINUTES of the meeting of Audit and Corporate Governance Committee held at Council Chamber, Brockington, 35 Hafod Road, Hereford, HR1 1SH on Friday, 25th January, 2008 at 10.00 a.m.

Present: Councillor GFM Dawe (Vice Chairman in the Chair)

Councillors: MJ Fishley, JHR Goodwin, R Mills and RH Smith

In attendance: Councillors PJ Edwards

61. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor ACR Chappell.

62. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes made.

63. DECLARATIONS OF INTEREST

There were no declarations of interest made.

64. MINUTES

RESOLVED: That subject to the addition of 'Councillor GFM Dawe (Vice-Chairman)' to those Members present, the Minutes of the meeting held on 21st December 2007 be approved as a correct record and signed by the Chairman.

65. ANNUAL GOVERNANCE STATEMENT

The Committee considered a report submitted by Mr T Ford, Chief Internal Auditor, on the requirement for the Council to have an Annual Governance Statement, evidenced by an assurance framework.

Mr Ford presented the report. He referred to the 'Reasons' in the report and paragraph three in particular and informed Members that the published guidance booklet on delivering good governance in local government in line with the latest regulations had been ordered and would be circulated to Audit and Corporate Governance Committee Members, Cabinet Members and Scrutiny Committee Chairmen.

Councillor MJ Fishley made reference to a Jarvis document referred to in Appendix three of the report and requested further details. Mr Ford informed the Committee that the document was confidential and, therefore, could not be circulated. The Chairman stated that a future report on Amey, previously known as Jarvis, would be useful information. The Committee was advised that the Strategic Monitoring Committee held the remit for reviewing the performance of a contract/contractor.

Councillor RH Smith referred to 'Reasons' after the Recommendation in the report and, in particular, queried the meaning of the reference to Levels 2, 3 and 4.

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Mr Ford stated that the meaning of the Levels referred to would be set out in the next report to the Committee. They related to the standard achieved against each criteria within the Use of Resources judgement. 1 being below acceptable requirements and 4 being consistently above the required standard.

Mrs S Rees, the Director of Resources, informed the Committee that the Code of Corporate Governance would set out the new requirements for the Annual Governance Statement and would also set out a timetable giving dates when the requirements would be in place.

Councillor RH Smith suggested numerous amendments to the appendices attached to the report that was derived from a document produced by SOLACE/CIPFA. He also suggested that Recommendation (a) in the report should refer to the 'Annual Governance Statement' as 'Draft' and that Recommendation (b) should refer to the 'Framework' as 'Draft'. He was also of the view the scrutiny process should be an intrinsic part of the Code and recorded appropriately within the framework.

Councillor GFM Dawe, Vice-Chairman, referred to Principles 1 and 4 in Appendix 1 and requested an assurance that the community would be consulted regarding Principle 1 and that effective scrutiny is achieved with regard to Principle 4.

Councillor PJ Edwards stated that scrutiny in Hereford was moving forward and that a report would be produced by the Head of Legal and Democratic Services setting out the way forward for scrutiny in regard to the Code. There would also be a budget available to Scrutiny Committees to help resource their work.

Chris Bull, Chief Executive, stated that there was a need to review the support for scrutiny committees within the Council. With regard to community engagement, that this was a complex area but that scrutiny could investigate it.

Councillor RH Smith suggested that the detail of each Principle within the Appendices attached to the report should be set out in a numbered format for ease of reference.

Councillor GFM Dawe, Vice-Chairman, took the view that budgets for scrutiny committees would be a positive move forward. He referred to a meeting of the Environment Scrutiny Committee which had met to consider Rotherwas and had the Committee been supported with a budget, it would have enabled more effective scrutiny and received a better attendance. He was of the view that the meeting was appallingly run as a consequence

Mrs S Rees, Director of Resources, reminded the Committee that the report before it requested comments on the framework of the existing Code of Governance and that the Code of Governance went a long way to assessing the guidance from SOLACE and CIPFA. A report would be presented to the Committee in March 2008 setting out the Code of Governance with amendments and containing Members suggestions.

RESOLVED: That

- (i) the Audit and Corporate Governance Committee together with the Standards Committee be made responsible for approving the draft Annual Governance Statement;**
- (ii) Subject to the following amendments and to any further comments from the Standards Committee, the draft framework**

as set out in Appendix 1 to 3 be approved for submission to Cabinet:

- (a) the addition of the words 'Publish an annual programme of due dates' after the ninth bullet point in column two of Principle 1;
- (b) the addition of the words 'Scrutiny process' after the eleventh and twelfth bullet points in column two of Principle 1;
- (c) the addition of the word 'Constitution' after the second bullet point in column two of Principle 2;
- (d) the addition of the words 'and report to Cabinet' after the word 'system' in the eighth bullet point in column two of Principle 2;
- (e) the addition of the words 'Scrutiny process' after the seventeenth bullet point, against both codes in column one, after the nineteenth bullet point in column two and after the twenty third bullet point in column two of Principle 2;
- (f) the addition of the words 'Scrutiny process' in column two opposite the first bullet point in column one and after the ninth and tenth bullet points in column two of Principle 3;
- (g) the addition of the words 'Report writing protocols' after the ninth bullet point in the second column of Principle 4;
- (h) the addition of the words 'Monitoring officer provisions' after the third bullet point and in the blank space in column two of Principle 4;
- (i) the addition of the words 'Officers code of conduct' after the fourth bullet in the second column of principle 4;
- (j) The addition of the words 'Good quality written reports' at the end of the sentence at the sixth bullet point in the first column of principle 4;
- (k) The addition of the words 'Public information protocols' after the tenth bullet point in the second column of principle 5;
- (l) the addition of the words 'with proper management and supervision by top management' after the word 'authority' in the second bullet point in column one of Principle 5;
- (m) the addition of the words 'And improve publicity regarding the right of the public to attend committee meetings' after the word 'authority' after the sixth bullet point in column one of Principle 5;
- (n) the addition of the words 'Evidence of feedback and action' after the word 'plan' in the first bullet point in column two of

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Principle 5;

- (o) the addition of the words ‘ staff review and development interviews’ after the fourth bullet point in column two of Principle 5;**
 - (p) the addition of the words ‘Survey Members’ after the fifth bullet point in column two of Principle 5;**
 - (q) the addition of the words ‘Scrutiny process’ after the seventh bullet point in column two of Principle 5;**
 - (r) the addition of the words ‘Annual Survey’ after the fifth bullet point in column two of Principle 6;**
 - (s) the addition of the words ‘Compliance and liaison’ opposite the fifth bullet point in column one of Principle 6;**
 - (t) the addition of the words ‘Parish Council Protocol’ after the seventh bullet point in column two of Principle 6;**
 - (u) the addition of the words ‘Scrutiny process’ after the ninth bullet point in column two of Principle 6;**
 - (s) the review of the effectiveness of the Internal Audit box should in Appendix 2 should have links both ways to the Audit and Corporate Governance Committee and the Corporate Management Board boxes. In addition, the Audit and Corporate Governance box should have links with the Internal and external Audit box and Corporate Management Board box.**
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- (iii) the new framework be subject to an annual review by Cabinet, the Audit and Corporate Governance Committee and the Standards Committee;and**
 - (iv) the Code of Corporate Governance be reviewed by the Director of Resources and the Monitoring Officer in the light of the new requirements for the Annual Governance Statement by March 2008.**

The meeting ended at 10.48 a.m.
<LAYOUT_SECTION>

CHAIRMAN