

**CORPORATE AFFAIRS COMMITTEE**

A meeting of the Corporate Affairs Committee was held on 8 June 2007.

**PRESENT:** Councillor Clark (Chair), Councillors Elder, McPartland and Porley.

**OFFICIALS:** J Bennington, C Davies and R G Long.

**\*\*APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Jones and Mrs H Pearson.

**\*\* DECLARATIONS OF INTEREST**

No declarations of interest were made at this point of the meeting.

**\*\* MINUTES**

The minutes of the meeting of the Corporate Affairs Committee held on 28 March 2007 were submitted and approved as a correct record.

**STATEMENT OF INTERNAL CONTROL 2006/2007**

The Director of Resources submitted the Council's Statement of Internal Control (SIC) 2006/2007, which was a statutory document required to be included with the final accounts. A flowchart which set out the framework for the SIC was circulated at the meeting for Members' information.

The statement was intended to provide adequate assurance that the Council had a sound system of internal control, designed to help manage and control business risk. It was considered to be an important statement of what the Council had put in place in respect of good business practice, high standards of conduct and sound governance.

In addition to satisfying the requirements of the Accounts and Audit Regulations, the SIC was a key measure of the overall effectiveness of the Authority.

Reference was made to the Statement of Recommended Practices 2006 which had extended the scope of the SIC to cover relationships with organisations where the control/involvement by the Council was considered to be significant.

In terms of ensuring compliance with Council decisions, rules and regulations reference was made to the contribution of the Standards Committee by considering a number of key items such as the Ombudsman Annual Letter and Report; protocol for Members and Officers on Gifts and Hospitality; Council's Whistleblowing policy; and the national Code of Conduct for Members.

The report outlined the improvements, which had been made to the control environment, the risk management process and monitoring and reporting management performance within the Council during 2006/07.

The Committee's attention was drawn to a number of other developments designed to ensure improvements in performance and financial management and governance.

The Committee considered the 'Significant Internal Control Issues', which had been raised in the 2005/2006 statement and the actions taken during 2006/2007 to address them.

Reference was made to the following areas of concern which arose during 2005/06 which had been highlighted along with the action plans in place to address them: -

a) Regeneration Works employment schemes:

Internal Audit had identified significant issues in the process and procedures being followed in such Regeneration schemes.

In response all project officers now underwent basic project management training and detailed training in procurement would be undertaken on an ongoing basis. Other training involved Project Officers in relation to the monitoring and information requirements of grant providers to ensure that only eligible expenditure was included in claims. Stronger management controls and checking procedures would be implemented and continue to be monitored as in the case of the other planned action.

b) CFL Surestart Grant Monitoring and Control:

Following major changes in the process from 30/40 smaller schemes to several larger schemes control and reconciliation procedures on Surestart schemes had been identified as an area of weakness putting the Council at risk of clawback.

In response recording systems within the relevant projects had been strengthened and management were to implement more extensive and detailed checking and scrutiny of record keeping and overall grant procedures.

The recording on the use of grants would be included as a separate segment in the budget clinic process and an exit strategy would be developed for those grants ending in March 2008.

Members sought clarification on a number of areas including the following:-

- i) confirmation given that the measures taken were the subject of ongoing monitoring in order to ensure and sustain the necessary improvements;
- ii) recognition of problems arising from a reduced Government grant the level of which was now disclosed on a yearly rather than on a three year indicative basis a problem which was being experienced nationally;
- iii) it was confirmed that there were robust systems of stepped levels of internal control in place for all grants depending on the size and funding regimes of schemes.
- iv) the process and discipline of internal controls was also applied to the activities of HBS and services provided by a series of service level agreements which involved financial penalties for any non-delivery of service.

**ORDERED** as follows: -

1. That the Statement of Internal Control 2005/2006 be approved.
2. That the information provided in particular the reported internal control issues' section within the Statement and summarised in paragraph 10 of the report submitted be noted.

#### **OUTSIDE BODY APPOINTMENT – RIVER TEES PORT HEALTH AUTHORITY**

In a report of the Director of Legal and Democratic Services the Committee was advised that following the appointment of representatives at the Annual Council held on 23 May 2007 to the River Tees Port Health Authority of Councillors Clark, Jones, Lancaster and Purvis, a nomination had been received from the Conservative Group for Councillor G Rogers to be appointed to the vacancy.

**ORDERED** that Councillor G Rogers be appointed to the River Tees Port Health Authority.

#### **ANY OTHER BUSINESS – ELECTION FEES 2007**

With the approval of the Chair and on the grounds of urgency the Committee agreed to consider a matter arising from the recent Elections.

The Director of Legal and Democratic Services reported that as in the case of many other local authorities Middlesbrough Council had experienced technical/software problems in respect of

postal votes which had resulted in staff at the count working a significant longer period of time than expected.

As a gesture of goodwill it was suggested that an extra payment be made to counting staff in addition to the £60 previously agreed by the Committee at its meeting held on 7 March 2007.

**ORDERED** that the counting staff in respect of the 3 May 2007 elections be paid an additional £40.