

A meeting of the **CORPORATE GOVERNANCE PANEL** will be held in the **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **WEDNESDAY, 8 DECEMBER 2010** at **6:30 PM** and you are requested to attend for the transaction of the following business:-

**Contact
(01480)**

APOLOGIES

1. MINUTES (Pages 1 - 4)

To approve as a correct record the Minutes of the meeting of the Panel held on 28th September 2010.

**Mrs C Bulman
388234**

2. MEMBERS' INTERESTS

To receive from Members declarations as to personal and/or prejudicial interests and the nature of those interests in relation to any Agenda Item. Please see Notes 1 and 2 overleaf.

3. CALCULATION OF COUNCIL TAX BASE 2011/12 (Pages 5 - 8)

To consider a report by the Head of Customer Services recommending the Council Tax Base for 2011/12.

**Mrs J Barber
388105**

4. ANNUAL REVIEW OF THE RISK MANAGEMENT STRATEGY (Pages 9 - 10)

To receive a report by the Audit and Risk Manager on the review of the Risk Management Strategy.

**D Harwood
388115**

5. REVIEW OF HOUSING BENEFIT FRAUD INVESTIGATION ACTIVITY AND THE COUNCIL'S WHISTLEBLOWING POLICY (Pages 11 - 16)

To consider a joint report by the Head of Customer Services and the Audit and Risk Manager summarising the activity of the Benefit Fraud Investigation Team over the 2009/10 financial year and to note the outcome of the annual review on whistleblowing.

**Mrs J Barber
388105
D Harwood
388115**

6. REVIEW OF THE ANTI-FRAUD AND CORRUPTION STRATEGY (Pages 17 - 24)

To note the outcome of the annual review of the Anti-Fraud and Corruption Strategy.

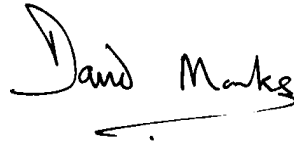
**D Harwood
388115**

7. EXTERNAL AUDITOR'S REPORT: ANNUAL AUDIT LETTER 2009/10 (Pages 25 - 38)

To consider the Annual Audit Letter for 2009/10.

**S Couper
388103**

Dated this 30 day of November 2010



Chief Executive

Notes

1. *A personal interest exists where a decision on a matter would affect to a greater extent than other people in the District –*
 - (a) *the well-being, financial position, employment or business of the Councillor, their family or any person with whom they had a close association;*
 - (b) *a body employing those persons, any firm in which they are a partner and any company of which they are directors;*
 - (c) *any corporate body in which those persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or*
 - (d) *the Councillor's registerable financial and other interests.*
2. *A personal interest becomes a prejudicial interest where a member of the public (who has knowledge of the circumstances) would reasonably regard the Member's personal interest as being so significant that it is likely to prejudice the Councillor's judgement of the public interest.*

Please contact Miss H Ali, Democratic Services Officer, Tel No 01480 388006/e-mail: Habbiba.Ali@huntsdc.gov.uk if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Panel.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.

Agenda and enclosures can be viewed on the District Council's website – www.huntingdonshire.gov.uk (under Councils and Democracy).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Democratic Services Manager and we will try to accommodate your needs.

Emergency Procedure

In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.

Agenda Item 1

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE PANEL held in CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN on Tuesday, 28 September 2010.

PRESENT: Councillor T D Sanderson – Chairman.
Councillors M G Baker, P L E Bucknell,
K J Churchill, T V Rogers and
C M Saunderson.

APOLOGY An apology for absence from the meeting was submitted on behalf of Councillor S J Criswell.

13. MINUTES

The Minutes of the meeting of the Panel held on 30th June 2010 were approved as a correct record and signed by the Chairman.

14. MEMBERS' INTERESTS

No declarations were received.

15. VALUE FOR MONEY CONCLUSION 2009/10

(Mrs L Sandford and P Winrow of Grant Thornton UK LLP, the Council's External Auditors, were in attendance for consideration of this item).

With the assistance of a report by the Head of Law, Property & Governance (a copy of which is appended in the Minute Book), the Panel considered the results of the Council's Value for Money conclusion which had been undertaken by Grant Thornton UK LLP, the Council's External Auditors.

Having been advised of the outcome of the assessment which was intended to determine whether proper arrangements were in place to secure economy, efficiency and effectiveness in the use of resources, the Panel were acquainted with the key findings and actions required by the Council and noted the "unqualified conclusion" reached by the External Auditors. Whereupon, and following a number of questions of clarification by Panel Members on specific aspects of the report, it was

RESOLVED

- a) that the outcome of the review be noted; and
- b) the action plan as appended to the report now submitted be endorsed.

16. DEMOCRATIC STRUCTURE WORKING GROUP

A report by the Structure Review Working Group was submitted (a copy of which is appended in the Minute Book) summarising the findings of a review by the Group on the membership of the Employment Panel and proposals to introduce the title of Honorary Aldermen and Alderwomen to past members of the Council and Honorary Freeman and Freewomen to local citizens.

In considering the Group's conclusions, the Panel noted that the present arrangements for the Employment Panel were considered to be operating satisfactorily and that no change was being proposed. However the Panel noted that the current arrangements for ELAG were cumbersome and would benefit from a reduction in members, together with a change in scheduling such that future meetings were held approximately 4 weeks before the Employment Panel.

With regard to the introduction of honorary titles, the Panel were advised of the Working Group's recommendations and the proposed award of a modest memento to recognise qualifying individuals.

Whereupon and having noted that the outcome of the review of changes to the democratic structure would be considered at the Council meeting in November 2010, it was

RECOMMENDED

that the recommendations of the Democratic Structure Review Working Group as set out in the report now submitted be endorsed for submission to the Council.

17. FORMAT OF THE COUNCIL'S EXECUTIVE - THE CHOICE OF EXECUTIVE LEADER OR ELECTED MAYOR

The Panel considered a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) concerning the choice of executive arrangements for the District Council for implementation by May 2011.

By way of background, Members were advised that the Local Government and Public Involvement in Health Act 2007 had introduced significant changes to the Leader and Cabinet system and had narrowed the choice of executive arrangements open to local authorities to –

- an elected Mayor and Cabinet appointed by him; or
- an Executive Leader appointed by the Council from its membership and a Cabinet appointed by that Leader.

Having been advised of the outcome of a consultation exercise on the choice of Leader or Mayor which indicated a clear preference for an Executive Leader, Members were advised that the consultation exercise had been a legislative requirement and had been conducted at minimum cost yet managed to reach a wide audience.

Following clarification as to the roles of Mayor / Council Chairman and having noted that the Cabinet had already endorsed the proposals,

the Corporate Governance Panel

RECOMMEND

that Council approves the proposals for a change in governance arrangements to an Executive Leader and Cabinet Executive as set out in Appendix B of the report now submitted and in accordance with the Local Government and Public Involvement in Health Act 2007.

18. ANNUAL REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

The Panel received and noted a report by the Audit & Risk Manager (a copy of which is appended in the Minute Book) of the outcome of a review of the effectiveness of the system of internal audit. In support of the key elements of the review, details of the Council's current risk assessment matrix and the 2009/10 Annual Internal Audit Report were included.

In considering the Annual Report produced by the Councils Internal Audit Service, Members sought and were provided with further information concerning overpayments for building and civil engineering contracts and the implementation of a system for verifying employees on the payroll. Whereupon, it was

RESOLVED

that the information contained in the report be noted and taken into account when considering the Corporate Governance statement later on the agenda.

19. GOVERNANCE STATEMENT

Consideration was given to a report by the Head of Law, Property and Governance (a copy of which is appended in the Minute Book) on the outcome of the annual review of the Council's governance arrangements.

The Panel discussed the Governance Statement, which had been prepared on behalf of the Chief Executive and the Leader of the Council to summarise the corporate governance work carried out in 2009/10 and identified matters to be addressed during 2010/11. In considering the detailed content of the statement, comments were made with regard to the future of the current standards regime for councillors and the annual treasury management strategy. Whereupon it was

RESOLVED

that the Governance Statement signed by the Chief Executive and Leader of the Council on behalf of the Council for 2010 be endorsed and countersigned by the Chairman of the Panel.

20. APPROVAL FOR PUBLICATION OF THE 2009/10 ACCOUNTS

(Mrs L Sandford and P Winrow of Grant Thornton UK LLP, the Council's External Auditors were in attendance for consideration of this item).

The Panel considered the draft accounts for 2009/10 (a copy of which is appended in the Minute Book) which had been revised following an audit of the Council's financial statements for the year. Attention having been drawn to the issues which had been identified by the External Auditors and the subsequent changes which had been made to the Council's Accounts, Mr P Winrow reported that it was anticipated that an unqualified opinion would be provided on the accounts.

In discussing the Auditor's report, comments were made with regard to the issues raised in relation to the revaluation of the Council's Leisure Centres, together with the financial information provided. In response, the Panel were advised that the main concern related to the fact that only three of the five centres had been re-valued and that as part of the transition to IFRS the Council should ensure that it thoroughly reviews the accounting treatment of fixed assets. Whereupon and having considered the content of the Council's letter of representation which outlined the action taken to ensure the accuracy of the Council's financial records, it was

RESOLVED

- a) that the Letter of Representation as set out at Annex A to the report now submitted be approved and the Director of Commerce and Technology be authorised to sign it on behalf of the Council;
- b) that the Auditor's reports and appended Action Plans for dealing with the matters highlighted be noted;
- c) that the revised set of accounts as set out at Annex C of the report now submitted be approved for publication.

21. EXCLUSION OF THE PUBLIC

RESOLVED

that the public be excluded from the meeting because the business to be transacted contains exempt information relating to individuals.

22. COUNCIL TAX COMPLAINT : AWARD OF COMPENSATION

The Panel received and noted a report by the Head of Customer Services (a copy of which is appended in the annex to the Minute Book) on a complaint against the Council by a member of the public with regard to the closure of their council tax account and the terms of a compensatory payment approved as a consequence thereof.

Chairman

CALCULATION OF COUNCIL TAX BASE 2011/12 (Report by the Head of Customer Services)

1. INTRODUCTION

- 1.1** The Local Government Finance Act 1992 requires a Billing Authority (Huntingdonshire District Council) to calculate and approve a tax base for Council Tax purposes by 31 January in respect of the following financial year. The Local Authorities (Calculation of Tax Base) Regulations 1992 (as amended) contain the rules for making the necessary calculations.
- 1.2** The tax base calculation is designed to convert all existing properties and those due for completion before the end of the period into a Band D Equivalent. This is achieved by applying a prescribed weighting to the properties in each of the respective valuation bands.
- 1.3** The resulting figure, after taking into account relevant allowances, is called the Net Tax Base. Once agreed, this figure is divided into the Council's Net Expenditure due to be raised from Council Tax and the actual Council Tax Charge for a Band D property is then derived.

2. GENERAL PRINCIPLES OF THE CALCULATION

- 2.1** A tax base calculation for the whole of the District Council's area has been undertaken, using information held as at 9 November 2010. Added to this information are details of new properties likely to be completed and banded for Council Tax purposes during the period November 2010 to March 2012. Estimates have been made regarding the possible level of occupation of these new properties and the likely discounts that they may attract, and in particular it assumes that the discount awarded to both "second homes" and "long term empty properties" will be at the minimum level (i.e. 10% and 0% respectively). No allowance has been made for banding appeals/reductions as these simply can not be forecast nor for any significant change in policy with regards to discretionary discounts or exemptions under S13a of the Local Government Finance Act 1992 (as amended). The resulting calculation shows a Band D equivalent tax base of 59,819 properties.
- 2.2** When undertaking a tax base calculation, the resulting figure has to be reduced by a percentage which, in the District Council's opinion, represents the likely losses on collection during the financial year. A provision of 0.6% is required (reduced from 0.75% in previous years). When applying this 0.6% reduction to this calculation, a net tax base figure of 59,460 is achieved.
- 2.3** This compares with the current tax base of 58,580 and the growth is therefore 1.5%.
- 2.4** The legislation requires that the actual Tax Base Calculation is undertaken with the information available at the 30 November. A

revised calculation will have to be undertaken on that date and, if necessary, an amended report will be tabled at the Meeting.

3. RECOMMENDATIONS

3.1 It is recommended that the Corporate Governance Panel resolves as follows:-

- (a) that the report by the Head of Customer Services regarding the calculation of the District Council's tax base for the year 2011/2012 be approved; and
- (b) that pursuant to the Head of Customer Services' report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 (as amended), the amounts calculated by the Huntingdonshire District Council as their net tax base for the whole District for the year 2011/2012 be 59,460 and shall be as listed below for each Parish of the District.

Abbotsley	245
Abbots Ripton	130
Alconbury	555
Alconbury Weston	276
Alwalton	125
Barham & Woolley	25
Bluntisham	744
Brampton	1805
Brington & Molesworth	140
Broughton	85
Buckden	1160
Buckworth	50
Bury	607
Bythorn & Keyston	142
Catworth	141
Chesterton	58
Colne	350
Conington	73
Covington	41
Denton & Caldecote	25
Diddington	28
Earith	580
Easton	75
Ellington	232
Elton	294
Farcet	580
Fenstanton	1170
Folksworth & Washingley	345
Glatton	134
Godmanchester	2430
Grafham	237
Great & Little Gidding	122
Great Gransden	455
Great Paxton	370
Great Staughton	325
Haddon	25
Hail Weston	240
Hamerton & Steeple Gidding	52

Hemingford Abbots	330
Hemingford Grey	1155
Hilton	450
Holme	238
Holywell-cum-Needingworth	980
Houghton & Wyton	810
Huntingdon	7395
Kimbolton & Stonely	595
Kings Ripton	83
Leighton Bromswold	84
Little Paxton	1280
Morborne	11
Offord Cluny & Offord D'Arcy	505
Old Hurst	96
Old Weston	85
Perry	262
Pidley-cum-Fenton	150
Ramsey	2900
St Ives	5795
St Neots	10565
Sawtry	1730
Sibson-cum-Stibbington	210
Somersham	1385
Southoe & Midloe	160
Spaldwick	230
Stilton	785
Stow Longa	65
The Stukeleys	418
Tilbrook	110
Toseland	37
Upton & Coppingford	85
Upwood & The Raveleys	425
Warboys	1370
Waresley-cum-Tetworth	146
Water Newton	42
Winwick	38
Wistow	215
Woodhurst	152
Woodwalton	85
Wyton-on-the-Hill	415
Yaxley	2975
Yelling	142
	<u>59460</u>

Contact Officer: Julia Barber - Head of Customer Services
☎ 01480-388105

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ANNUAL REVIEW OF THE RISK MANAGEMENT STRATEGY
(Report by the Audit & Risk Manager)

1. REVIEW OF THE RISK MANAGEMENT STRATEGY

- 1.1 The annual review of the Strategy has been undertaken by the Council's corporate Risk Management Group. Only minor additions are required to provide further clarity to managers on the options available to manage residual risks, these are shown underlined below:

Option Appraisals & Risk Treatment

Before a decision is made on the way the risk is to be treated, the Head of Service who owns the risk, shall carry out an option appraisal. The appraisal shall consider how to deal with the risk on the following basis:

- **Reduce or treat** the risk by controlling the likelihood of the risk occurring or controlling the impact of the consequences if the risk does occur.
- **Avoid or eliminate** the risk by not undertaking the activity that may trigger the risk.
- **Transfer** the risk either totally or in part **to others** e.g. through insurance.
- **Accept or tolerate** the risk. This option will only be accepted when the ability to take effective action against a risk is limited or the cost of taking action is disproportionate to the potential benefits gained.

The appraisal will consider cost, resources, time and the potential financial and non-financial benefits of each treatment option. Advice from specialist staff shall be taken where appropriate.

Ideally risk treatments should be self-funding. Where this is not the case there will need to be a prioritisation process to ensure that any funding is concentrated first on those items that will be most beneficial to the achievement of the Council's priorities.

2. RECOMMENDATION

- 2.1 It is recommended that the Panel approve the above changes.

BACKGROUND INFORMATION
Risk Management Strategy

Contact Officer: David Harwood, Audit & Risk Manager ☎ 01480 388115

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**REVIEW OF HOUSING BENEFIT FRAUD INVESTIGATION ACTIVITY &
THE COUNCIL'S WHISTLEBLOWING POLICY
(Report by the Head of Customer Services
and the Audit & Risk Manager)**

1. INTRODUCTION

- 1.1 This report provides
- a summary of the activity of the Benefits Fraud Investigation Team for 2009/10; and
 - the annual review of the whistleblowing policy and guidance and summarises the matters raised in the last year.

BENEFITS FRAUD INVESTIGATION TEAM

2. BACKGROUND

- 2.1 The Council currently pays housing and council tax benefit to over 9,500 residents in the district. In 2009/10 Housing and/or Council Tax Benefit in excess of £37m was paid.
- 2.2 The DWP estimates of the loss¹ due to fraud and error amounts to 5.5% of the national Housing Benefit spend. Loss in fraud amounts to an estimated 1.0% of overall national benefit expenditure. This indicates a potential annual loss to the Council through fraud of £370k and a further £1.66m in error.
- 2.3 The Team undertakes investigation of allegedly fraudulent applications for housing and council tax benefit. This work complies with various legislative requirements such as PACE, CPIA, RIPA, CJA, SSAA and the Fraud Act 2006².

THE FRAUD TEAM

- 2.4 The Team consists of six staff. All are required to be accredited counter fraud specialists and undergo regular and frequent refresher training in advanced criminal investigations and specialists anti-fraud techniques.

¹ See DWP reports- 'Action plan for tackling fraud and error in Housing Benefit and Council Tax Benefit. 2008' and Reducing 'Fraud in the Benefit System 2007'.

² Police and Criminal Evidence Acts, Criminal Procedures and Investigations Acts, Regulation of Investigatory Powers Acts, Criminal Justice Acts, Social Security Administration Acts

- 2.5 The Team undertake over 300 taped interviews with persons suspected of fraud each year. These interviews can be conducted at the Council's offices, Police Stations or at the DWP's offices.
- 2.6 The Team conduct their own prosecutions only instructing external solicitors and barristers to act in the event of trials or more complex cases.
- 2.7 The Team acts as the Council's Single Point of Contact for obtaining information from communication providers in accordance with The Regulatory Investigatory Powers Act 2000.
- 2.8 Revenue raised by the Team through government subsidy, fines imposed, costs awards and compensation orders currently makes the Team entirely cost neutral to the authority. In 2009/2010 the Council realised a small surplus from its activities.

3. ACTIVITY & PERFORMANCE 2009/10

- 3.1 Each year the Team receives referrals of alleged fraud from a wide variety of sources including the public, council staff, the police and other government agencies. Not all cases are investigated either due to the poor quality of referrals or due to some reports being deemed as malicious or irrelevant.
- 3.2 The Council subscribes to two Data Matching schemes. A monthly match is conducted with the DWP (HBMS) using their own and HMRC records and a bi-annual exercise is undertaken through the Audit Commissions 'National Fraud Initiative'.
- 3.3 The Team also use commercial data matching software. This allows data from a number of Council services to be matched to identify potential fraud and error affecting benefits as well as other Council services.
- 3.4 Approximately 30% of all cases are undertaken in close partnership with investigators from the DWP. The Team also works with the Police, Customs & Borders Agency, HMRC and the NHS on a daily basis.
- 3.5 The systems that are now in place have led to an increase in the number of cases of fraud/error being identified. However due to improved use of the data available, fraudulent claims are being identified sooner than they were, which has also allowed investigations to be undertaken sooner. Consequently, for the first time in a number of years, there has been a fall in the amount of overpaid benefits identified per case investigated. This indicates that the Council's systems to detect fraud/error quickly are effective and that the right cases are being selected for investigation, resulting in less money being lost through fraud.

Reported frauds by year

Year	Referrals	Cases accepted for investigation
2007/2008	693	353
2008/2009	744	440
2009/2010	810	375

Outcomes of investigations

Year	Cases investigated	Cases Proved	% Success	Value of overpayments
2007/2008	408	275	67%	£550,000
2008/2009	354	242	69%	£629,000
2009/2010	400	277	69%	£520,000

The value of the overpayments prevented each year by investigations exceed the level of benefits overpaid.

Sanction activity

Year	Cases selected for sanction	Cautions	Administrative penalties%	Prosecutions
2007/2008	125	14	61	50
2008/2009	115	16	50	49
2009/2010*	87	10	42	35

** Estimate based on actual and pending cases at 22nd March 2010*

- 3.6 Polices are in place to conduct sanctions against those people found to have committed offences which involve fraud, deception and theft. Every case is treated on its own merits and punitive action only considered where it would be in the public interest. Many incidences of fraud do not involve prosecution. However, where there has been a loss to the Council recovery is always pursued.

4. NEW WORK AREAS

- 4.1 As well as undertaking investigations into fraudulent benefit claims, the Fraud Team have also been responsible for a number of years for conducting investigations into fraudulent housing applications received by the Council, council tax discounts and exemptions made by local taxation customers.
- 4.2 From June 2010 the Fraud Team took on the role of pursuing hard to collect debts resulting from benefit overpayments, which are in the main, fraudulent overpayments. The initial findings from this exercise are very promising and will be reported in more detail in future years.

- 4.3 A pro-active exercise has also begun into the claims submitted by agency workers for housing benefit, who obtain work through employment agencies. .
- 4.4 A pilot scheme with the Luminus Group is underway, allowing the Fraud Team to not only access tenancy data and identify potential benefit fraud sooner, but also lead investigations into unlawful sub-lets. The pilot has recently been extended to another Housing Association.
- 4.5 Funding for the projects mentioned in 4.2 to 4.4 has been provided by either the DCLG or the DWP.

WHISTLEBLOWING

5. ANNUAL REVIEW

- 5.1 The whistleblowing policy and guidance are reviewed annually to ensure they continue to be fit for purpose.
- 5.2 The policy was introduced to allow any employee, contractor or member of the public the opportunity to report, without fear of victimisation, a serious or sensitive concern (e.g. a potential fraud or corrupt act, any danger to health and safety or the mistreatment or abuse of any customers, particularly children).
- 5.3 This year's review of the policy and guidance has been completed and no changes are proposed. Both documents are available on the Council's website and intranet.
- 5.4 The review did however highlight the need for further clarification on the Council's internal arrangements for protecting and supporting staff when additional information is necessary to fully investigate an item they have raised. This has been carried out and will be published on the intranet.

6. MATTERS RAISED

- 6.1 Employees and customers have a number of ways to raise whistleblowing concerns. These include an internet form, a specific email address and a dedicated 24 hour telephone.
- 6.2 19 items have been received in the following areas:
- housing and council tax benefit and NNDR claims (11)
 - planning enforcement (3)
 - housing tenancy issues (2)
 - staff issues (2)
 - referred to an external organisation (1)

13 of the concerns were made anonymously.

- 6.3 The two issues referring to staff were in different service areas. One investigation led to a member of staff being dismissed, the other is on-going.

7. RECOMMENDATION

- 7.1 It is recommended that the Panel
- note the work undertaken in respect of benefit fraud
 - note that the annual review of the whistleblowing policy and procedure has been undertaken.

BACKGROUND INFORMATION

The Social Security Administration Act 1992, as amended (SSAA)
The Fraud Act 2006
Police and Criminal Evidence Act 1984 (PACE)
Criminal Procedures and Investigations Act 1996 (CPIA)
Regulation of Investigatory Powers Act 2002 (RIPA)
Local Government Acts 1972, as amended
Local Government Finance Act 1992, as amended (LGFA)
Housing Act 1996
HDC : Anti-Fraud and Corruption Strategy
Whistleblowing Policy & Procedure
Whistleblowing allegations received

Contact Officer:

Julia Barber - Head of Customer Services ☎ 01480 388105
David Harwood - Audit & Risk Manager ☎ 01480 388115

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REVIEW OF THE ANTI FRAUD & CORRUPTION STRATEGY (Report by the Audit & Risk Manager)

1. INTRODUCTION

- 1.1 This report details the outcome of the annual review of the Anti-Fraud and Corruption Strategy. It explains the reasons for the changes to the Strategy and outlines the legislative changes proposed in dealing with bribery.

The Strategy incorporating the changes proposed below is attached as Annex A.

2. THE BRIBERY ACT 2010

- 2.1 The Bribery Act 2010 received Royal Assent on 8 April 2010 and is expected to be enacted in April 2011.

- 2.2 The Act simplifies the existing law of bribery by replacing the offences at common law and under the Public Bodies Corrupt Practices Act 1889 and the Prevention of Corruption Acts of 1906 and 1916 with two general offences which apply to both public and private organisations:

1. Bribing another person - offering, promising or giving a financial or other "advantage" to another; and
2. Being bribed - requesting, agreeing to receive or accept financial or other "advantage".

- 2.3 An offence is committed under the Act where the "advantage" is intended as an inducement to improper performance of a function or as a reward for such improper action. The maximum penalty for bribery is 10 years imprisonment. Fines are unlimited.

The full scope of the offences is set out in the form of six specific cases where an offence of bribery is deemed to have occurred. These are listed in Annex B for information purposes.

- 2.4 The Act also creates an offence of bribery of a foreign public official and a new corporate offence which exposes commercial organisations to criminal liability for failing to prevent bribery.

Local authorities per se are not regarded by the Act to be a commercial organisation. However the Act has the potential to apply to local authorities if they have an interest in a commercial organisation whether wholly owned by the local authority, in partnership with private companies or within PFI arrangements.

Implications for the Council

- 2.5 The Bribery Act should not require significant changes to the Council's current procedures or the approach it takes to inform its employees of the importance of good conduct and ethical behaviour. The Council should not be complacent however and it would be appropriate for a review to be conducted by all Heads of Service to identify potential service areas that may be more susceptible to bribery than others (e.g. procurement and tendering, planning permissions, granting of licences) and consider the

controls in place to eradicate/minimise the opportunity for an offence to take place.

- 2.6 The Employees Code of Conduct already contains a number of provisions that clearly explain how the receipt of gifts and hospitality shall be treated. It is suggested that it be reviewed (then publicised) once guidance has been issued by the Government to commercial organisations (see 2.4) as to the steps they can take to prevent bribery.

Employees Code of Conduct

- 14.6 Employees should not accept significant personal gifts from contractors and outside suppliers, although gifts of a token value (such as pens, diaries, etc) may be kept. In the event of an employee receiving a gift without notice or warning, the matter should be reported to the Monitoring Officer, who will be responsible for deciding what action should be taken.
- 14.7 Employees must be aware that it is a serious criminal offence to corruptly receive or give any gift, loan, fee, reward or advantage for doing or not doing anything or showing favour or disfavour to any person in their official capacity.
- 14.8 An employee in receipt of any hospitality or gift in excess of £25 must notify the Monitoring Officer who will maintain a register of hospitality and gifts accepted by employees.
- 2.7 The Government made it clear, in a letter issued in January 2010, that corporate hospitality will not be exempt from the provisions of the Act. It has recognised however that "routine and inexpensive hospitality" is an accepted part of business practice and would be unlikely to lead to a reasonable expectation of improper conduct. "Lavish or extraordinary hospitality" however could be construed as being intended to influence a person to act improperly. The letter does not state a minimum amount or provide any further guidance as to when "routine and inexpensive hospitality" becomes "lavish or extraordinary".

The Employees Code of Conduct requires hospitality in excess of £25 to be recorded. It does not currently differentiate between "routine and inexpensive" and "lavish or extraordinary" hospitality. Whilst some may argue that para.14.7 of the Code deals with this matter sufficiently, it is suggested that further explanation be provided by amending para.14.8 along the following lines

- 14.8 An employee in receipt of any hospitality or gift in excess of £25 must notify the Monitoring Officer who will maintain a register of hospitality and gifts accepted by employees. An employee shall not accept any hospitality or gift that could be thought by a reasonable person to be lavish or extraordinary for an employee of the Council to receive.

3. MONEY LAUNDERING

- 3.1 The Panel at its June meeting agreed that the Money Laundering Policy should be included in the Anti-fraud and Corruption Strategy. These changes are highlighted.
- 3.2 The Money Laundering Policy included information as to the maximum limit for the receipt of cash payments, currently £1000. It is not considered

appropriate for this information to be included in the Anti Fraud and Corruption Strategy. It is proposed that it be included in the Code of Financial Management.

4. DEFINITIONS

- 4.1 The definitions of fraud and corruption within the Strategy have also been reviewed and compared to current best practice.
- 4.2 Changes are proposed to the fraud definition to take account of the Fraud Act 2006 and also the advice provided by Cipfa. The Strategy also contains no definition of theft although it is regularly referred to in the Strategy. The changes proposed are highlighted in the Strategy attached.

5. RECOMMENDATION

- 5.1 It is recommended that:
 - (1) Heads of Service should review and identify those service areas that may be susceptible to bribery and introduce controls to minimise the opportunity for offences;
 - (2) paragraph 14.8 of the Employees Code of Conduct be amended as outlined in 2.7 above;
 - (3) the Code of Financial Management details the maximum limit for the receipt of cash payments; and
 - (3) the changes proposed to the Anti-Fraud and Corruption Strategy are agreed.

BACKGROUND INFORMATION

Bribery Act 2010

Letter from Lord Henley, dated 14 January 2010

Contact Office: David Harwood, Audit & Risk Manager ☎ 01480 388115

HUNTINGDONSHIRE DISTRICT COUNCIL

Anti Fraud and Corruption Strategy

1. Introduction

- 1.1 Huntingdonshire District Council is determined that a culture of honesty, openness and accountability will always be promoted, and as such is wholly opposed to all forms of fraud, corruption or theft. The Council is committed to making sure that the risk of fraud, corruption and theft is reduced to a level that is proportionate to the resources required to achieve that reduction. The Council also recognises that all dishonest acts undermine the high standards of public service that it is aiming to achieve.
- 1.2 This Anti-Fraud and Corruption Strategy provides details of our approach to tackling fraud, corruption and theft. It gathers together, under the heading of one overall document, all of the Authority's policies and guidance that deal with this area.

2. Anti-Fraud and Corruption Statement

- 2.1 The Council is committed to the highest possible standards of honesty, openness and accountability. The Council will not tolerate any fraud, corruption or theft by Members, employees, consultants, contractors or service users. It will ensure that internal procedures are in place to deter and prevent the risk of fraud, corruption or theft and maintain clear and well publicised arrangements for receiving and investigating complaints.
- 2.2 The Council will pursue appropriate action in all instances where fraud, corruption and theft are found.

3. Definitions

- 3.1 The Council defines fraud, corruption and theft in the following ways.

Fraud is the intentional distortion of financial statements or other records by persons internal or external to the Council which is carried out to conceal the misappropriation of assets or otherwise for gain.

Corruption covers the offering, giving, soliciting or acceptance of an inducement, rewards or bribe which may improperly influence the action of any person.

Theft is the intentional dishonest appropriation of property or assets of any kind with the intent to deprive the Council temporarily or permanently of it.

4. The Principles of Conduct

- 4.1 Each individual Member and employee is responsible for playing a part in ensuring that public confidence in the services provided by the Council is maintained. They will lead by example in ensuring compliance with all legal requirements, rules, procedures and practices, and conduct themselves in accordance with both the spirit and letter of their respective Codes of Conduct.

5. Reducing the risk of fraud, corruption and theft

- 5.1 The Council has a number of procedures and rules to make sure that the risks associated with financial, administrative and organisational procedures are properly managed and controlled. The most important of these procedures and rules are the:
- Code of Financial Management
 - Code of Procurement
 - Code of Conduct for Members
 - Code of Conduct for Employees
 - Members' Planning Code of Good Practice
 - Members' Licensing Code of Good Practice
 - Staff Recruitment & Selection Process
 - Risk Management Strategy
- 5.2 The Code of Financial Management makes it clear that Directors and Heads of Service are responsible for the prevention of fraud and corruption within the services and functions under their control. They are required to establish, maintain and document the systems of internal control and ensure that relevant employees or Members are familiar with such systems.

Directors shall ensure that their staff have a general awareness of the money laundering regulations as required by the Proceeds of Crime Act 2002 and the notification process to be followed if money laundering is suspected. The Internal Audit & Risk Manager shall be the nominated Officer to deal with money laundering notifications to the Serious Organised Crime Agency.

6. Disclosure, investigation and prosecution policies

- 6.1 The Anti-Fraud and Corruption Strategy shall be supported by specific policies or procedures that deal with the issues of disclosure, investigation and prosecution. These policies and procedures are:
- The Whistle-blowing Policy
 - The Whistle-blowing Guidance
 - The Housing & Council Tax Benefit Anti-Fraud Strategy
 - The Housing & Council Tax Benefit Prosecution Policy
 - The Disciplinary Procedures

In addition to the above, detailed guidance notes have been written to assist staff who are required to undertake specific investigations.

- 6.2 The policies and procedures aim to ensure that the Council's commitment to the prevention of fraud, corruption and theft:
- is clearly defined
 - actively encourages and promotes the prevention and detection of fraud, corruption and theft
 - identifies clear reporting lines for those having knowledge or suspicion of irregularity
 - establishes uniform procedures for handling allegations, ensuring consistent treatment
 - ensures fair treatment for those against whom allegations are made
 - encourages individuals and organisations that come into contact with the Council in the course of their business, joint working or partnerships, to recognise and where necessary, demonstrate

appropriate mechanisms for the prevention and detection of fraud and corruption.

- 6.3 Irrespective of who is involved, all matters of significant fraud and corruption identified against the Council, where its investigation is not covered by another policy or procedure will be referred to the Police or any other regulatory body authorised to investigate such matters. The decision as to whether a matter is significant shall be determined by the relevant Director.
- 6.4 The Chairman of the Corporate Governance Panel and the Council's external auditors shall also be informed of all matters of significant fraud and corruption.
- 6.5 Irrespective of the decision reached as to any criminal prosecution, the Council shall, in the case of an employee or employees, apply the disciplinary procedure and where the allegation of an offence is proven, take appropriate disciplinary action against the employee(s) involved.
- 6.6 The Council will aim to recover from the perpetrators any losses that it sustains as a result of fraud and corruption.

7. Corrective Action

- 7.1 The Director of Commerce & Technology will be responsible for ensuring that lessons learnt from the investigation are evaluated and result in the strengthening of the systems involved. He/she shall also consider whether it would be of benefit to the Council to publicise the outcome of the investigation as a deterrent to other potential perpetrators.

8. Publicising the Strategy

- 8.1 The Council will publicise the Anti-Fraud and Corruption Strategy and supporting policies to all Members and employees. Copies of documents referred to in this strategy shall be made available on the intranet.
- 8.2 Action will be taken to make the public and members of outside bodies aware of the Council's Anti-Fraud and Corruption Strategy.

9. Monitoring

- 9.1 A Framework document will be prepared and completed to demonstrate how effectively this Strategy is being delivered.

10. Conclusion

- 10.1 The Council is committed to tackling fraud, corruption and theft whenever it happens and any allegations received will be responded to in an effective and organised manner, following the principles and procedures within this document.
- 10.2 To ensure they remain effective the S151 Officer and the Monitoring Officer will annually review this Strategy, propose any changes to the Corporate Governance Panel and update the supporting Framework.

**BRIBERY ACT 2010
THE SIX CASES**

Section 1 Offences of bribing another person

- (1) A person (“P”) is guilty of an offence if either of the following cases applies.
- (2) Case 1 is where—
 - (a) P offers, promises or gives a financial or other advantage to another person, and
 - (b) P intends the advantage—
 - (i) to induce a person to perform improperly a relevant function or activity, or
 - (ii) to reward a person for the improper performance of such a function or activity.
- (3) Case 2 is where—
 - (a) P offers, promises or gives a financial or other advantage to another person, and
 - (b) P knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.

Section 2 Offences relating to being bribed

- (1) A person (“R”) is guilty of an offence if any of the following cases applies.
- (2) Case 3 is where R requests, agrees to receive or accepts a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly (whether by R or another person).
- (3) Case 4 is where—
 - (a) R requests, agrees to receive or accepts a financial or other advantage, and
 - (b) the request, agreement or acceptance itself constitutes the improper performance by R of a relevant function or activity.
- (4) Case 5 is where R requests, agrees to receive or accepts a financial or other advantage as a reward for the improper performance (whether by R or another person) of a relevant function or activity.
- (5) Case 6 is where, in anticipation of or in consequence of R requesting, agreeing to receive or accepting a financial or other advantage, a relevant function or activity is performed improperly—
 - (a) by R, or
 - (b) by another person at R's request or with R's assent or acquiescence.

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**ANNUAL AUDIT LETTER 2009/10
(Report by the Head of Financial Services)**

1. INTRODUCTION

- 1.1 The Annual Audit Letter summarises the key issues arising from the work that our external auditors (Grant Thornton) have carried out during their 2009/10 audit. It is designed to communicate the key messages to the Council and external stakeholders, including members of the public. It will be published on the Audit Commission's website at www.audit-commission.gov.uk and also on the Council's website.
- 1.2 This year's Letter is attached as Annex A and it will be presented to the Panel by Liz Sanford from Grant Thornton.
- 1.3 Our new auditors, PriceWaterhouseCoopers, have now started their interim work for 2010/11 and so the Panel may wish to take the opportunity to thank Grant Thornton for their contribution to raising and maintaining the Council's standards of governance over the last 5 years.

2. CONTENT

- 2.1 The Letter refers to the audit of the 2008/09 accounts and last year's Use of Resources results, both of which have previously been reported to the Panel.
- 2.2 The auditors include two "Key areas for Council action" which are reproduced below:
- ***The Council will be unable to assess the real impact of the October Comprehensive Spending Review (CSR) until the grant figures are published in early December. The Council has identified the need to make a minimum of £6.4m savings over the four year period to 2014/15; however, it is estimating that this requirement could rise to £10m unless the new homes reward grant is significant. Whatever the result, major levels of savings will still be required. This will be a major challenge and critical to it achieving this will be the strength of its strategic financial planning arrangements and the deliverability of its savings plans. The Council will need to consider the services it delivers and how it delivers them and where savings and changes can be made whilst minimising the impact on the standard of service delivery.***

- ***As part of its savings plans, the Council is planning to reorganise its management structures. The Council has a voluntary redundancy scheme in place and the Chief Executive's application has been recommended by the Employee Selection Panel and considered by Cabinet, and is shortly to be considered by Council. Given the financial challenges facing the Council, it is critical that the Council acts quickly to ensure there are effective and strong leadership arrangements in place to lead the Council through the delivery of its savings plans over the forthcoming months and years.***

2.3 The Letter will be circulated to all members following the Panel's meeting.

BACKGROUND INFORMATION

Panel Reports on Audit of 2008/09 accounts and Use of Resources

Contact Office:

Steve Couper, Head of Financial Services ☎ **01480 388103**

Huntingdonshire District Council

Annual Audit Letter 2009/10

November 2010

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1 Introduction and Key Messages

Purpose of this Letter

- 1.1 This Annual Audit Letter (Letter) summarises the key issues arising from the work that we have carried out at Huntingdonshire District Council (the Council) during our 2009/10 audit. The Letter is designed to communicate our key messages to the Council and external stakeholders, including members of the public. The letter will be published on the Audit Commission's website at www.audit-commission.gov.uk and also on the Council's website.

Responsibilities of the external auditors and the Council

- 1.2 This Letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).
- 1.3 We have been appointed as the Council's independent external auditor by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.
- 1.4 Our annual work programme is set in accordance with the Code of Audit Practice (the Code) issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Council's key risks, when reaching our Code conclusions.
- 1.5 It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

What this Letter covers

- 1.6 This Letter covers our 2009/10 Code audit, including key messages and conclusions from our work on:
- auditing the 2009/10 year end accounts (Section 2)
 - the accuracy of grant claims and returns to various government departments and other agencies (Section 2)
 - assessing the Council's arrangements for securing economy, efficiency and effectiveness in the use of its resources (Section 3).
- 1.7 A list of all the reports issued during the year is provided at Appendix A. Appendix B sets out our actual and budgeted fees for 2009/10.

The Economy

- 1.8 In the current financial climate, the Government's most urgent priority is to reduce the deficit whilst ensuring the economic recovery continues. Savings of over £6 billion are planned from Government spending during this financial year, including some £1.1 billion in reduced grants to local government. At the same time, the Government aims to reduce top-down government and devolve power and greater financial autonomy to local authorities by a range of measures including:
- abolishing Comprehensive Area Assessment
 - reducing ring-fenced central government grants
 - abolishing LAA performance targets
 - undertaking a full review of local government finance.
- 1.9 The October Spending Review (SR) will have a significant impact on the Council, its plans and its finances. The SR announced a 28% cut in DCLG grants to local authorities, estimated job losses within the public sector at 490,000 and £7bn of savings are required to be made to the welfare budget, mainly through benefit cuts. Cuts are being front-ended with the greatest reductions being required in the first year of the SR period. The June Budget announced the Government's intention to work with local authorities to freeze council tax in England in 2011-12. The SR announced that local authorities who freeze their council tax in 2011-12 will have the resultant loss to their tax base funded at a rate of 2.5% for 4 years.
- 1.10 This Annual Audit Letter has been written in the context of the significant change agenda in which the Council is operating. The Council needs to deliver savings of approximately £10m over a five year period including £2.8m in 2010/11. The Council has started work on identifying the savings required for 2010/11 and delivery of these will be critical and require strong leadership from the Council at officer and member level. The challenge is unprecedented in the history of the Council and will require sustained focus and must be supported by the appropriate capacity to deliver the savings.

Key areas for Council action

- 1.11 We have set out below, the key areas where action should be taken by the Council to further improve its arrangements during 2010/11:
- The Council will be unable to assess the real impact of the October Comprehensive Spending Review (CSR) until the grant figures are published in early December. The Council has identified the need to make a minimum of £6.4m savings over the four year period to 2014/15; however, it is estimating that this requirement could rise to £10m unless the new homes reward grant is significant. Whatever the result, major levels of savings will still be required. This will be a major challenge and critical to it achieving this will be the strength of its strategic financial planning arrangements and the deliverability of its savings plans. The Council will need to consider the services it delivers and how it delivers them and where savings and changes can be made whilst minimising the impact on the standard of service delivery.

- As part of its savings plans, the Council is planning to reorganise its management structures. The Council has a voluntary redundancy scheme in place and the Chief Executive's application has been recommended by the Employee Selection Panel and considered by Cabinet, and is shortly to be considered by Council. Given the financial challenges facing the Council, it is critical that the Council acts quickly to ensure there are effective and strong leadership arrangements in place to lead the Council through the delivery of its savings plans over the forthcoming months and years.

1.12 The context for these key messages can be found in this Letter.

2 Audit of Accounts

Introduction

- 2.1 We issued an unqualified opinion on the Council's 2009/10 accounts on 28 September 2010, ahead of the statutory certification deadline. Our opinion confirms that the accounts give a true and fair view of Council's financial affairs at 31 March 2010 and of its income and expenditure for the year.
- 2.2 Prior to giving our opinion on the accounts, we are required to report significant matters arising from the audit to those charged with governance (defined as the Corporate Governance Panel at the Council). We presented our Annual Report to those Charged with Governance to the Corporate Governance Panel on 28 September and summarise only the key messages in this Letter.

Audit of the accounts

- 2.3 The Council produced its accounts in line with the deadline of 30 June. We were presented with the draft financial statements on 30 June 2010 and working papers were provided in accordance with the agreed timetable for audit.
- 2.4 Our audit highlighted a number of issues in respect of accounting for fixed assets including revaluations and the classification of assets in the Council's records. These issues were fully discussed with the Council and adjustments were made to the financial statements. Full details are set out in our Annual Report to Those Charged with Governance.
- 2.5 Accounting for fixed assets will be a key audit issue in 2010/11 with the transition to IFRS accounting. The Council should use the exercise of restating its 2009/10 accounts to IFRS to address these issues.

Financial performance

- 2.6 The Council reported an underspend of £1.9m primarily due to extra interest and one-off additional items relating to government specific grants and recovery of VAT against its agreed 2009/10 budget, which it has placed in a special Reserve intended to meet any future one-off costs of achieving the savings required over the next few years. After the creation of this reserve the Council reported a favourable variance of £74k .
- 2.7 The revenue budget monitoring report as presented to September Cabinet highlights that forecast outturn will be £966k below the approved budget which potentially reduces the contribution from the general reserve to £3.7m. It is essential that the Council continues to closely monitor its financial performance throughout 2010/11 and takes appropriate and timely action to address any adverse variances to planned spending that occur.
- 2.8 The current economic climate has placed significant pressure on the public sector and local government in particular, to generate efficiencies and operate within reduced resources. The Council has already planned to meet its budget deficits over the next three years from its revenue reserves and savings; however, following SR, the gap that needs to be met has increased. It is imperative that the Council continues to regularly review its medium term financial plan in the light of public sector spending pressures.

Financial systems

- 2.9 We undertake sufficient work on key financial controls for the purpose of designing our programme of work for the financial statements audit. Our evaluation of the Council's key financial control systems did not identify any control issues that presented a material risk to the accuracy of the financial statements.
- 2.10 We reviewed the work of internal audit and concluded that the scope and conduct of internal audit work was appropriate to support our work in auditing the Council's 2009/10 accounts. We also performed a high level review of the general IT control environment as part of the overall review of the internal control system and concluded that there were no material weaknesses within the IT arrangements that would adversely impact our audit of the accounts.

Annual Governance Statement

- 2.11 We examined the Council's arrangements and process for compiling the Annual Governance Statement (AGS). In addition, we read the AGS and considered whether the statement was in accordance with our knowledge of the Council. Our work confirmed that the AGS was consistent with our knowledge of the Council and no issues arose from our work.

Grant Claims and Returns

- 2.12 Each year we review and certify a number of grant claims and returns in accordance with the arrangements put in place by the Audit Commission. Following the completion of the 2008/9 certification work we concluded that the Council had good overall arrangements in place.
- 2.13 We are currently in the process of certifying the 2009/10 grant claims and returns. Once this work is completed we will report in full on the findings of our work.

3 Use of Resources

Introduction

- 3.1 We issued our annual VFM conclusion on 28 September 2010, at the same time as our accounts opinion, and ahead of the required deadline. We concluded that, for 2009/10, the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010.
- 3.2 Prior to giving our VFM conclusion, we set out the basis of this conclusion and the results of our assessment against the use of resources framework, in our report presented to the Audit Committee on 28 September. In this Letter, we summarise the key messages from this work alongside relevant findings.

2009/10 VFM conclusion and UoR assessment

- 3.3 The Audit Commission's Code of Audit Practice requires us to assess whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In discharging this responsibility, we are required to review and, where appropriate, examine evidence that is relevant to the Council's corporate performance management and financial management arrangements.
- 3.4 Our 2010 Value for Money conclusion has been informed by work carried out on Use of Resources up until the abolition of Comprehensive Area Assessment, and other local risk based work carried out in accordance with our 2009/10 Audit Plan.
- 3.5 The key messages from our review of the Council's arrangements are:
- The Council has identified weaknesses in compliance with its Code of Procurement and contract management. A number of actions were implemented which have resulted in improvements.
 - In common with many local authorities, the Council is experiencing significant financial pressures and having to revisit its short to medium term financial plans. The Council has already planned to meet its budget deficits over the next three years from its revenue reserves; however, it is anticipated that reduced funding is likely to increase the gap that needs to be met. This means that unless resulting gaps are addressed through savings or other means, reserves will be used up more quickly than planned. It is imperative that the Council reviews its medium term financial plans in light of public sector spending pressures.
- 3.6 The main areas where further action is required by the Council include:
- taking immediate action to review its short to medium term plans for using its revenue reserves to support spend, identify revised budget deficits and how these will be met if reserves are not available to fund the gaps, and
 - developing detailed and realistic savings plans. These plans should be developed to include the findings of service reviews and the outcomes of the budget consultation which is currently in progress.
- 3.7 On the basis of the work completed, we issued an unqualified Value for Money conclusion..

4 Closing Remarks

- 4.1 This Letter was discussed and agreed with the Director of Commerce and Technology and presented to the Corporate Governance Panel 8 December 2010.
- 4.2 We would like to take this opportunity to express our appreciation for the assistance and cooperation provided during the course of the audit.
- 4.3 As members will be aware, 2009/10 marks the end of our appointments as auditors at the Council after a period of 5 years. We have very much enjoyed working with the Council and hope to work with you again in future years.

Grant Thornton UK LLP
November 2010

A Reports Issued

Report	Date Issued
Audit Plan	December 2009
Annual Report to those Charged with Governance	September 2010
Value for Money Report	September 2010
Annual Audit Letter	November 2010
Grant Certification Report	January 2011

B Audit and Other Fees

Audit Area	Budget 2009/10 £	Actual 2009/10 £
Financial statements	59,554	59,554
VFM conclusion / Use of resources	46,378	46,378
Total Code of Practice fee	105,932	105,932
Certification of grant claims and returns*	20,000	tbc
Total fees	125,932	

*The quoted fee for grant certification work is an estimate only and will be charged at published hourly rates.



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