

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE PANEL held in the Civic Suite, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Tuesday, 27 September 2011.

PRESENT: Councillor E R Butler – Chairman.  
Councillors M G Baker, G J Harlock,  
A R Jennings, P G Mitchell and T V Rogers.

APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillor R S Farrer.

IN ATTENDANCE: Mr C McLaughlin – Pricewaterhouse Coopers LLP.

### 9. MINUTES

The Minutes of the meeting of the Panel held on 28th June 2011, were approved as a correct record and signed by the Chairman.

### 10. MEMBERS' INTERESTS

No declarations were received.

### 11. ANNUAL REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

By way of a report by the Audit and Risk Manager (a copy of which is appended in the Minute Book) the Panel was advised of the implications of the 2011 Accounts and Audit Regulations on the Council's procedures for internal audit and on the way it had previously reviewed the effectiveness of the internal audit system.

Whilst guidance from the Department of Communities and Local Government had appeared to suggest that there had been little material change to the requirements, the Audit and Risk Manager described that, how using the framework of assurance, he had considered whether the Council had put in place adequate controls to manage identified risks to its objectives and the risks inherent in undertaking its work. In support of this process, Members also were guided through the Council's current risk assessment matrix and the work of the internal audit service over the period 1st August 2010 to 31st July 2011. Having responded to a series of questions from Members in respect of the level of priority assigned to various risks, the annual survey of customer satisfaction and the controls in place to monitor use of the corporate card and having expressed their satisfaction with the opinion expressed by the Audit and Risk Manager on the overall adequacy and effectiveness of the Council's internal control and governance processes, the Panel

RESOLVED

that the content of the report be noted and the opinion of the Audit and Risk Manager taken into account in the consideration of the Governance Statement under Minute No. 14 post.

## **12. REVIEW OF THE EFFECTIVENESS OF THE CORPORATE GOVERNANCE PANEL**

A report by the Head of Financial Services was submitted (a copy of which is appended in the Minute Book) regarding the outcome of the review, by Members, of the effectiveness of the Corporate Governance Panel.

Given the inexperience of the Panel currently, it had been agreed that a further session be held in advance of the March 2012 Panel when it was anticipated that the newly appointed Members would have had the opportunity to acquire sufficient knowledge to express a more considered view about the effectiveness of the Panel.

However, based on the information that had been forthcoming, Members had concluded that the Panel was acting effectively and in accordance with its terms of reference. Notwithstanding this conclusion, Officers were requested to prepare an action plan to address several issues which had been highlighted. Whereupon, it was

### **RESOLVED**

- (a) that the content of Annex A to the report now submitted be endorsed as an accurate assessment of the effectiveness of the Panel;
- (b) that the Action Plan be approved; and
- (c) that, with immediate effect, a review of the effectiveness of the Panel be undertaken on an annual basis.

## **13. REVIEW OF THE EFFECTIVENESS OF THE INTERNAL AUDIT SERVICE**

Consideration was given to a Report by the Managing Director (Resources) (a copy of which is appended in the Minute Book) regarding the outcome of a review of the effectiveness of the internal audit service. It was understood by the Panel that the review was undertaken by the Audit and Risk Manager in accordance with the 2006 Code of Practice for Internal Audit in Local Government.

Attention was drawn to four areas where internal audit did not currently comply with the Code of Practice and it was confirmed that Deloitte's would shortly be engaged as the Council's computer audit partner. Having questioned whether the Council currently maintained a partnership register and whether consideration had been given to entering into an arrangement with neighbouring Councils for sharing computer audit work, the Audit and Risk Manager replied that he had tried unsuccessfully to generate an interest with other authorities and

would seek to take up the contacts suggested by Councillor Rogers in this respect and report on the outcome to a future meeting of the Panel.

Mr McLaughlin, Pricewaterhousecooper, commended the action taken thus far by the Audit and Risk Manager to engage a computer audit partner and thanked the service for their support and assistance in understanding the internal control framework.

Whereupon, it was

RESOLVED

- (a) that the content of the report and the conclusion that the internal audit service was generally effective be noted;
- (b) that the Action Plan prepared to address the areas for improvement identified in the self-assessment be endorsed; and
- (c) that the Audit and Risk Manager be requested to update the Panel at a future meeting on arrangements to appoint a computer audit partner.

#### **14. GOVERNANCE STATEMENT**

By way of a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book), the Panel undertook its annual review of the governance statement which sets out arrangements for the Council's Corporate Governance activities.

Having made a series of suggestions to vary the text of the governance statement, the Panel

RESOLVED

that subject to incorporation of the amendments highlighted by the Panel and consent by the Chairman to the final wording, the outcomes of the governance arrangements be noted and the Chairman authorised to sign the approved Governance Statement for 2011.

#### **15. LOCAL GOVERNMENT OMBUDSMAN - LOCAL SETTLEMENT OF COMPLAINT**

The Panel received and noted a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) regarding the action taken, after consultation with the Chairman, to settle a complaint in accordance with the Council's scheme of delegation which had been made to the Local Government Ombudsman.

#### **16. TRAINING OF PANEL MEMBERS**

Further to Minute No. 12 ante, the Panel considered a report by the Head of Financial Services (a copy of which is appended in the

Minute Book) regarding suggestions for training for new Members based on the anticipated work programme for the Panel in 2012.

After discussion, it was

RESOLVED

- (a) that a further session for Members on the effectiveness of the Corporate Governance Panel be held in advance of the meeting in March 2012; and
- (b) that copies of reports due to be considered at future meetings be sent to Members as soon as they become available to enable the Panel to consider whether training on the subject to be discussed was required in advance of the meeting.

**17. APPROVAL FOR PUBLICATION OF THE 2010/11 ACCOUNTS**

Having been advised by the Head of Financial Services of the reasons why the 2010/2011 final accounts were not yet available for approval, the Panel

RESOLVED

that a Special meeting of the Panel be held at 6pm on Wednesday 2nd November 2011.

Chairman