

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE PANEL held in the Civic Suite 0.1A, Ground Floor, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 12 December 2012.

PRESENT: Councillor E R Butler – Chairman.

Councillors M G Baker, K J Churchill,
J A Gray, G J Harlock, P G Mitchell and
R J West.

IN ATTENDANCE: Councillor J A Gray.

32. MINUTES

Subject to the replacement of the word “contracts” with the word “tenders” in the penultimate line of paragraph 2 of Item No. 30, the Minutes of the meeting of the Panel held on 25th September 2012 were approved as a correct record and signed by the Chairman.

A Member questioned whether the actions requested by the Panel at its last meeting had been implemented. Having reviewed those items where specific actions had been raised, it was agreed that a report be submitted to future meetings with details of the progress/or achievement of specific actions requested by the Panel.

33. MEMBERS' INTERESTS

No declarations were received from the Members present.

34. CORPORATE BUSINESS CONTINUITY PLANNING (2012 ANNUAL REPORT)

The Panel received and noted a report by the Head of Information Management (a copy of which is appended in the Minute Book) on progress achieved towards the preparation of a new Business Continuity Plan and the associated Business Continuity Management System. Members also noted information on BCP incidents since 2011.

The Panel was informed that a new Group of business continuity co-ordinators and deputies had been established which would meet quarterly, undertake exercises and work to an Action Plan with agreed targets set until August 2013.

Regarding paragraph 5.3 and the suggestion that it was the objective to identify an alternative site which could accommodate Council services should it be necessary in the event of a major incident, the Panel urged the Head of Information Management to give this matter some priority and report back to them on the matter in the future and

perhaps as part of the Annual Report in 12 months' time.

The Panel was assured the arrangements put in place would be sufficiently robust to enable the Council to respond to "notable" incidents and that there was sufficient momentum in the process to ensure that the Plan would continue to evolve and improve over time.

Having indicated their wish to continue to monitor business continuity arrangements, Members

RESOLVED

that the Head of Information Management be requested to submit a progress report on Business Continuity Planning to the Panel in December 2013.

35. REVIEW OF EMPLOYEE CONSULTATION AND INFORMATION ARRANGEMENTS AT HDC

As the terms of reference of the Panel included responsibility for the consideration of proposed variations to the Council's Constitution, Members considered a report by LGSS (a copy of which is appended in the Minute Book) on proposals intended to streamline the process for the consideration of employment matters currently dealt with by the Employee Liaison Advisory Group and Employment Panel. An additional paper authored by LGSS clarifying the changes envisaged to the Constitution were the recommendations in the report supported by the Panel, also was circulated. (A copy of the additional paper also is appended in the Minute Book). It was noted that the proposals already had been endorsed by the Employment Panel and would require to be recommended to Council.

Members noted that the new arrangements would retain a mechanism for effective consultation between management and employees, allow the Panel to focus on overall management rather than day-to-day operations and replace the rigid meeting structure which currently existed to consider these matters. Whilst supporting these proposals in principle, the Panel expressed some concern at the extent of the authority to be delegated to the Head of Paid Service for employment issues and concluded that, to avoid confusion with the current Overview and Scrutiny arrangements, that there was no sound reason for changing the name of the existing Employment Panel.

Given their unease with the proposed delegation, the Panel suggested that the proposals be deferred until the next meeting to enable the terms of reference of the new Panel to be clarified and the precise parameters of the authority to be delegated to the Head of Paid Service to be better defined.

Notwithstanding the resolution of these concerns at their next meeting, the Panel raised no objection to the remainder of the proposals which related to the Employee Liaison Advisory Group and Senior Officers' Panel but given the suggested implementation date of 15th May 2013 was of the view that there was sufficient time for the arrangements to be refined and considered again, as a whole, at their

next meeting in March. In view of the foregoing, the Panel

RESOLVED

that consideration of the proposals be deferred to the next meeting of the Panel in March 2013.

36. FRAUD INVESTIGATION

A report by the Head of Customer Services was submitted (a copy of which is appended in the Minute Book) regarding the activities of the Fraud Team, the potential for fraud across the Council's service and the planned response to the risk of fraud following the introduction of a Single Fraud Investigation Service (SFIS) due to become operational before 2015.

Members were reminded that the Panel had established a Working Group (comprising Councillors Butler, Churchill and Mitchell) to assist the Panel's understanding of fraud risk and its implications.

Given the potential income which might result from identified fraud, the opportunity that existed to take advantage of Government funding to develop a new fraud service after April 2015 and having congratulated the Team for its work in uncovering fraudulent activity, the Panel

RESOLVED

- (a) that, to seize the opportunity to develop new work streams and investigate non-welfare fraud areas, a proportion of the welfare fraud workload be transferred to the Department of Work and Pensions from 2013;
- (b) that a report be submitted to the Panel in September 2014 outlining the actual fraud identified in non-welfare work and proposals for the fraud service from April 2015 onwards; and
- (c) that the Fraud Working Group be retained to meet and report regularly to the Panel.

37. REVIEW OF HOUSING BENEFIT FRAUD INVESTIGATION ACTIVITY & THE COUNCIL'S WHISTLEBLOWING POLICY

Members received and noted a joint report by the Head of Customer Services and the Audit and Risk Manager (a copy of which is appended in the Minute Book) summarising the work undertaken by the Benefit Fraud Investigation Team during 2011/2012. The Panel also conducted the Annual Review of the Whistleblowing Policy and Guidance.

Whilst concluding that no changes were required to either the Policy or Guidance for whistleblowing, the Panel considered that it was essential to continue to publicise, cost-effectively, the opportunity that existed to report, without fear, any potential fraud or act which might endanger health and safety or mis-treatment or abuse of customers.

In commenting that the work of the Fraud Team would be of interest to all Members, the Panel

RESOLVED

- (a) that the Member Development Officer and Fraud Manager be requested to make arrangements for a seminar on the work of the Fraud Team; and
- (b) that the appreciation of the Panel be conveyed to the Fraud Working Group, Fraud Manager and Audit and Risk Manager for their endeavours in this area of work.

38. FINAL AUDITOR'S REPORTS - FINAL ACCOUNTS 2011/12

Members considered a report by the Head of Financial Services (a copy of which is appended in the Minute Book) seeking the Panel's approval of the content of an ISA 260 issued by the External Auditor following their audit of the 2011/2012 Statement of Accounts.

Having regard to the Action Plan drawn up for dealing with the recommendations which had emerged from the Auditor's report, the Panel was assured that the majority of the actions required were routine and could be delivered within the prescribed timescales. Two particular items were drawn to the attention of the Panel. These related to the valuation of inventories and provision for bad debt. Whilst these items were of greater significance, the Panel was advised that they would not hinder closure of the 2012/2013 accounts, progress upon which would be reported to the next meeting. Whereupon, it was

RESOLVED

- (a) that the final Auditor's ISA 260 report be approved;
- (b) that the Action Plan for dealing with recommendations made by the External Auditor be noted; and
- (c) that the appreciation of the Panel be conveyed to the Head of Financial Services, Financial Services Manager and their Teams who had worked hard to close the accounts and achieve the transition and meet the requirements of the new external auditors.

39. AUDITOR'S ANNUAL AUDIT LETTERS - 2010/11 AND 2011/12

Having regard to a report by the Head of Financial Services (a copy of which is appended in the Minute Book) the Panel

RESOLVED

that the Annual Audit Letters from the Council's External Auditors, PricewaterhouseCooper for the 2010/2011 and 2011/2012 audits be formally received.

40. ANNUAL REVIEW OF THE RISK MANAGEMENT STRATEGY

By way of a report by the Audit and Risk Manager (a copy of which is appended in the Minute Book) the Panel considered the outcome of the Annual Review of the Risk Management Strategy.

Members noted that the review had concluded that the Authority had robust risk management policies in place which were performing efficiently and supported the Council's annual governance and statutory reporting processes. The Panel also was made aware that the strategy had been amended to reflect the responsibility of Members and Employees for the health and safety of themselves and others.

Having expressed their satisfaction with the conclusion that there should be no change to the Council's risk appetite either in general terms or specifically for health and safety, it was

RESOLVED

that the Risk Management Strategy now submitted be approved.

41. PROVIDING ASSURANCE FOR THE ANNUAL GOVERNANCE STATEMENT

In response to a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) the Panel considered a proposal to introduce an assurance mapping process which would act as a framework against which the Panel could check whether internal controls were operating effectively and objectives were being achieved.

Members noted that it was the intention that the assistance map would plan for and receive assurance on three areas over the year. In parallel to this initiative, the Panel understood that it was also the intention to simplify the Annual Government Statement to make it a more meaningful document for both Members and the public.

Having noted that the process would commence with a Panel workshop to allow Members to identify those issues, which in their view required assurance, it was

RESOLVED

- (a) that a proposal to introduce an assurance mapping process be supported;
- (b) that a proposal to review the Annual Governance Statement to make it clearer and more readable be supported with a draft copy of the statement submitted annually to the May/June meeting of the Panel; and
- (c) that the proposal to align the internal audit planning year with the financial year be noted.

42. INTERNAL AUDIT SERVICE: INTERNAL AUDIT PLANNING

Having regard to a report by the Audit Risk Manager (a copy of which is appended in the Minute Book) the Panel was given the opportunity to consider and comment upon the internal audit computer plan for the period ending March 2014 prior to its approval by the Managing Director (Resources).

In noting the changes made to the current internal audit plan and the amendments to the general plan which were required to take account of additional work relating to the 2010/2011 final accounts process, the redevelopment of One Leisure, St. Ives and investigations involving members of staff, it was

RESOLVED

that the content of the Internal Audit Computer Plan for the period to March 2014 and recent amendments to the General Audit Plan be noted prior to their approval by the Managing Director (Resources).

43. TRAINING OF PANEL MEMBERS

A report by the Head of Financial Services was submitted (a copy of which is appended in the Minute Book) giving an indication of the programme of work envisaged for the Panel during 2013.

The Panel also was asked to consider whether it would benefit from specific training on the subject matters listed to assist their deliberations.

The Panel noted that the Chairman and Vice-Chairman would be attending an event hosted by Hertfordshire County Council and that should this prove worthwhile the session would be offered in-house for Panel Members.

Members also expressed concern that it had insufficient time to give detailed attention to the workload envisaged and to the standard that it would wish.

Whilst acknowledging that the assurance mapping exercise (See Minute No. 41 ante) would assist the work of the Panel, it was

RESOLVED

- (a) that the work programme for 2013 be noted; and
- (b) that provision be made in the 2013/2014 calendar for two additional meetings of the Panel to manage the workload anticipated but in the event that business was not forthcoming as was currently foreseen the meetings be cancelled by the Head of Legal and Democratic Services after consultation with the Chairman.

