

A meeting of the **CORPORATE GOVERNANCE PANEL** will be held in the **CIVIC SUITE, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **WEDNESDAY, 22 MAY 2013** at **6:30 PM** and you are requested to attend for the transaction of the following business:-

**Contact
(01480)**

APOLOGIES

1. MINUTES (Pages 1 - 10)

To approve as a correct record the Minutes of the meeting of the Panel held on 26th March 2013.

**Mrs H J Taylor
388008**

2. MEMBERS' INTERESTS

To receive from Members declarations as to disclosable pecuniary, non-disclosable pecuniary or non pecuniary interests in relation to any Agenda item. See Notes below.

3. CORPORATE GOVERNANCE PANEL - PROGRESS REPORT
(Pages 11 - 14)

To consider a report by the Head of Legal and Democratic Services.

**Mrs H J Taylor
388008**

4. EXCLUSION OF THE PUBLIC

To RESOLVE:-

that the public be excluded from the meeting because the business to be transacted contains exempt information which would disclose information relating to an individual and would be likely to reveal the identity of that individual.

5. HOUSING NEEDS COMPLAINT AWARD OF COMPENSATION
(Pages 15 - 16)

To consider a report by the Head of Customer Services.

**Ms J Barber
388105**

6. RE-ADMITTANCE OF THE PUBLIC

To RESOLVE:

that the public be re-admitted to the meeting.

7. REVIEW OF EFFECTIVENESS OF OVERVIEW & SCRUTINY PANELS (Pages 17 - 28)

By way of a report by the Assistant Director Finance and Resources, to consider the findings of a review into the effectiveness of the three Overview & Scrutiny Panels.

**D Harwood
388115**

8. REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT SERVICE (Pages 29 - 38)

To receive a report by the Internal Audit Manager outlining the findings of the Panel's review of the effectiveness of the Internal Audit Service.

**D Harwood
388115**

9. WORK PROGRAMME AND TRAINING (Pages 39 - 40)

To consider a report by the Assistant Director Finance and Resources.

**D Harwood
388115**

Dated this 14 day of May 2013



Head of Paid Service

Notes

A. Disclosable Pecuniary Interests

(1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*

(2) *A Member has a disclosable pecuniary interest if it*

(a) relates to you, or

(b) is an interest of -

(i) your spouse or civil partner; or

(ii) a person with whom you are living as husband and wife; or

(iii) a person with whom you are living as if you were civil partners

and you are aware that the other person has the interest.

(3) *Disclosable pecuniary interests includes -*

(a) any employment or profession carried out for profit or gain;

(b) any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);

(c) any current contracts with the Council;

(d) any beneficial interest in land/property within the Council's area;

(e) any licence for a month or longer to occupy land in the Council's area;

(f) any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or

(g) a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.

B. Other Interests

(4) If a Member has a non-disclosable pecuniary interest or a non-pecuniary interest then you are required to declare that interest, but may remain to discuss and vote.

(5) A Member has a non-disclosable pecuniary interest or a non-pecuniary interest where -

(a) a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or

(b) it relates to or is likely to affect any of the descriptions referred to above, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association

and that interest is not a disclosable pecuniary interest.

Please contact Mrs H Taylor, Senior Democratic Services Officer, Tel No: 01480 388008 / e-mail: Helen.Taylor@huntingdonshire.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.

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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, 26 March 2013.

PRESENT: Councillor E R Butler – Chairman.
Councillors K J Churchill, G J Harlock,
P G Mitchell and R J West.

APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillor M Baker .

44. MINUTES

The Minutes of the meeting of the Panel held on 12th December 2012 were approved as a correct record and signed by the Chairman.

45. MEMBERS' INTERESTS

No declarations were received from the Members present.

46. CORPORATE GOVERNANCE PANEL - PROGRESS REPORT

In monitoring progress/achievement of specific actions previously reported to the Panel, a Member questioned whether the corporate guide to managing projects had been approved by the Chief Officers Management Team. In response to which, the Panel were informed that an update on its progress would be submitted to their next meeting.

47. GRANT CERTIFICATION 2011/12

(Mr C Everest and Ms H Clark, PricewaterhouseCoopers LLP were in attendance for consideration of this Item.)

The Panel received and noted a report by the Assistant Director Finance and Resources (a copy of which is appended in the Minute Book) detailing the certification of specific grants received by the Council in 2011/12. Whilst there were no significant issues arising from the report, the Panel expressed strong concerns over the rules issued by the Department of Works and Pensions for the auditing of benefit claims and the resultant cost to the authority of the auditors undertaking further sampling when any error is found in the first sample. In concluding that the auditing rules for sampling were much too severe, the Panel

RESOLVED

- (a) that the grant specification report for 2011/12 be received and noted; and
- (b) that the Assistant Director Finance and Resources be requested to write to the Department of Communities and Local Government, the Department of Works and Pensions and the Audit Commission, to express the Panel's concerns over the cost to the authority of auditing benefit claims and requesting that the criteria for taking a second sample be adjusted to only require this if the errors in the previous round of sampling are significant.

48. EXTERNAL AUDIT PLAN 2012/13

The Panel received and noted a report by the external auditors (a copy of which is appended in the Minute Book) detailing the draft External Audit Plan for 2012/13.

Mr C Everest of PricewaterhouseCoopers LLP drew the Panel's attention to the key audit risk areas identified for the year and highlighted the approach that would be undertaken to complete these audits. He also pointed out that the level of fees was still under discussion with officers.

Having been asked for their views on fraud, Members referred to the work of the Fraud Working Group and the activities of the Fraud Team. Whereupon, it was

RESOLVED

that the content of the draft External Audit Plan for 2012/13 be noted.

49. ANNUAL EQUALITY PROGRESS REPORT 2012

With the assistance of a report by the Corporate Team Manager (a copy of which is appended in the Minute Book) the Panel were updated on progress made to date on the delivery of actions and targets set out in the Council's Single Equality Scheme and associated Action Plan.

Having noted the background to the report and the current position with regard to the completion of the equality impact assessments, the Panel

RESOLVED

- (a) that the impact of the Council's work around equalities in helping services to consider and understand the needs of different groups and as an aid to decision making be noted; and
- (b) that progress be noted against the Single Equality Scheme Action Plan and the findings from the Equality

Impact Assessment conducted during 2012 be supported.

50. PROGRESS REPORT ON ISSUES IDENTIFIED IN THE ANNUAL GOVERNANCE STATEMENT

Further to Minute No. 12/18 and with the aid of a report by the Corporate Policy and Performance Manager (a copy of which is appended in the Minute Book) the Panel received an update on the achievement of the Council's Corporate Governance Statement.

Having received assurances from officers present that they understood the implementation date for the pay review was on target, the Panel

RESOLVED

that the progress made to implement the action plans arising from the annual governance statement be noted.

51. REVIEW OF EMPLOYEE CONSULTATION INFORMATION ARRANGEMENTS

Pursuant to Minute No. 12/35, the Panel gave consideration to a report by LGSS (a copy of which is appended in the Minute Book) on proposals to streamline the process for the consideration of employment matters currently dealt with by the Employee Liaison Advisory Group and Employment Panel.

Members were advised that in response to the Panel's concerns at their last meeting, a proposal to change the name of the existing Employment Panel had been withdrawn. In considering the extent of the authority to be delegated to the Head of Paid Service, Members received assurances that the administration of the local government pension scheme, including the award of discretionary payments to employees, would be the responsibility of the post holder. Having noted that the Employment Panel had raised no objections to the proposals, the Panel

RESOLVED

- (a) that the contents of the report be noted; and
- (b) that subject to the inclusion of a reference to the exercising of employer discretions in relation to the Local Government Pension Scheme for staff below Chief Officer, the proposed delegation to the Head of Paid Service, as outlined within paragraph 4, and the new arrangements for streamlining the process for the consideration of employment matters be endorsed for amendment to the Constitution and recommendation to full Council.

52. REVIEW OF COUNCIL'S CONSTITUTION

With reference to a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) the Panel undertook a review of the Council's Constitution. The Panel were reminded of the procedure for a review in which all Members had been offered the opportunity to submit comments individually on the Constitution. An addendum to the report was also circulated regarding issues relating to the Constitution of Panels and Committees and the terms of reference for the Corporate Governance Panel.

The Panel considered a proposal to appoint substitute Members to Panels, Committees and Advisory Groups. In so doing, the consensus among the Panel was that the scheme should not be implemented within the Council.

With regard to the a proposal to vary the number of Members required to demand a recorded vote, the Panel felt that it was not necessary to alter the current rule which allows for the vote to be taken and entered into the Minute if at least one third of Members present demand it before the vote is taken. Reference also was made of the right of an individual Councillor to request that their own vote be recorded.

Having previously supported, in principle, a series of proposals to streamline the process for the consideration of employment matters currently dealt with by the Employment Liaison Advisory Group and Employment Panel, the Panel considered 6 key delegations to the Head of Paid Service relating to employment matters. Having noted that the administration of the local government pension, including the award of discretionary payments to employees, would be the responsibility of the Head of Paid Service the Panel expressed their support for the delegations.

The Panel also discussed a proposal to amend the Code of Procurement to allow late tenders to be considered provided that no other tender had been opened. Given the various methods available to tenderers to ensure that their tenders are received on time, Members did not support this proposal.

In considering a suggestion to vary the terms of reference and title of the Corporate Governance Panel, Members felt that there was no sound reason for changing the name and were of the opinion that the Panel's terms of reference should remain as they are or be expanded by merging with the Standards Committee. In discussing a proposal to rationalise membership of Panels, Members acknowledged that there would be some benefit in increasing the number of Members appointed to the Corporate Governance Panel, Overview and Scrutiny Panels and Standards Committee but saw no benefit in reducing the membership of the Development Management Panel. Given that they had not been able to consider fully the impact of these proposals, the Panel suggested that the Head of Legal and Democratic Services, after consultation with the Chairman of the Panel, report further on this matter to Council at its meeting on 24th April 2013.

In noting that the Head of Legal and Democratic Services would be undertaking a further review of the Overview and Scrutiny Panel's Procedure Rules, specifically the need for continued involvement of external co-opted persons, the Panel referred to the valuable contribution made by existing co-optees.

Attention was drawn to the conferment of the title of Honorary Alderman which currently required a minimum of 15 years service as an elected Councillor. Having regard to the current four year term of office for a Councillor, the Panel expressed support for a minimum service requirement of 12 years before the eligibility of a former Councillor for Alderman status could be considered.

Having considered other issues relating to the financial limit for key decisions, executive decision making, access to information arrangements, Overview and Scrutiny Procedure Rules and to the Code of Financial Management, the Panel agreed to

RECOMMEND

- (a) that with regard to Article 13 – Decision Making, a figure of £200,000 be adopted as the level above which the matter concerned would be considered to be significant for 'key decision' purposes;
- (b) that with regard to Table 2, responsibility for Council Functions, delegated authority by given to the Head of Paid Service (or his/her nominee) to deal with the following employment matters:-
 - (i) making of all staff appointments below the Head of Service;
 - (ii) determination of salary and terms and conditions of all posts in accordance with adopted human resources policies;
 - (iii) negotiation and implementation of local pay awards in compliance with any limitations contained in the Code of Financial Management following consultation with the Chairman of the Employment Panel and the Executive Leader;
 - (iv) negotiation and implementation of changes to terms of conditions of employment and human resources policies;
 - (v) responsibility for consultation and information sharing arrangements with staff;
 - (vi) administration of the provisions of the Housing Act 1989 relating to politically restricted posts; and

- (vii) responsibility for exercising employer discretions in relation to the Local Government Pension Scheme for staff below Chief Officer.
- (c) that the new arrangements to streamline the process for the consideration of employment matters, as outlined in Appendix G, be endorsed and the constitution varied to reflect these changes;
- (d) that the changes to the Access to Information Procedure Rules, as highlighted in Appendix E, be adopted;
- (e) that the following provision be made in the Constitution under 'Executive Decisions':–

“that after an Officer has taken a decision closely associated with the discharge of an Executive function, and where that decision is not exempt from publication, a record of the decision shall be published on the Council’s website”;

- (f) that with regard to the Overview and Scrutiny Procedure Rules, the last sentence of paragraph 10 of the Rules be replaced by –

“the Agenda for Cabinet meetings shall include an Item entitled “Issues arising from Overview and Scrutiny”. The reports of Overview and Scrutiny Panels referred to the Cabinet shall be included at this point in the Agenda (unless they have been considered in the context of the Cabinet’s deliberations on a substantive item elsewhere on the Agenda) within two months of the Overview and Scrutiny Panel completing its report/recommendations. Following consideration by Cabinet, the relevant Executive Councillor shall provide a written response to each of the Overview and Scrutiny Panel’s recommendations, including reasons where recommendations are not accepted.

The Overview and Scrutiny Panel Chairman or his/her representative shall have a right to attend and address the Cabinet meeting on the report or recommendations of the Panel and shall be entitled to speak for up to five minutes.”

- (g) that with regard to authority to appear in court proceedings, delegated authority be granted to

the Head of Legal and Democratic Services to authorise suitably trained and qualified staff to :-

- (i) prosecute, defend and appear on behalf of the Council before the Magistrates' Court in accordance with Section 223 of the Local Government Act 1972; and
 - (ii) exercise rights of audience in the County Court in accordance with Section 60 of the County Courts Act 1984 in relation to local authority housing matters and the Lay Representatives (Rights of Audience) Order 1999 in relation to civil matters heard in chambers or dealt with as a small claim;
- (h) that the Code of Financial Management be adopted;
- (i) that, subject to an amendment to paragraph 9.8 to reject any late tenders, the Code of Procurement be adopted; and
- (j) that the criteria upon which future Alderman should be selected be set at 12 years public service.

53. ACCOUNTANCY POLICIES FOR THE STATEMENT OF ACCOUNTS 2012/13

Consideration was given to a report by the Accountancy Manager (a copy of which is appended in the Minute Book) detailing changes which had been proposed to the accounting policies.

Having been reassured that the changes were only of a minor nature, the Panel

RESOLVED

that the changes proposed to the accounting policy attached as Appendix A to the report now submitted be approved.

54. PUBLIC SECTOR INTERNAL AUDIT STANDARDS

A report by the Internal Audit Manager was submitted (a copy of which is appended in the Minute Book) regarding the provisions of the public sector internal audit standards which have been developed specifically for public sector organisations in the UK and are due to come into effect on 1st April 2013.

Members noted that the majority of actions prescribed in the Standards were similar to the current requirements of the CIPFA Code of Practice and would have little impact on day to day operational systems. However, two significant changes were drawn to the attention of the Panel. These related to the definition of conflicts of interest for internal auditors and the need to appoint a

Chief Audit Executive (CAE) as the person for managing internal audit. The Panel was advised that the management of internal audit, risk management and insurance services would remain the responsibility of the Internal Audit Manager. The Panel also was made aware that although the Internal Audit Manager does not hold the professional qualifications required by the Standards, he does possess the knowledge, skills and competence to manage and deliver the service. Whereupon, it was

RESOLVED

- (a) that the contents of the report be noted;
- (b) that the adoption of the Public Sector Internal Audit Standards from 1st April 2013 be approved; and
- (c) that the discharging functional reporting responsibilities, as outlined in Appendix C of the report now submitted, be approved.

55. INTERNAL AUDIT SERVICE: INTERNAL AUDIT CHARTER

Having regard to a report by the Internal Audit 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 Charter.

Having noted that the Charter would replace the Internal Audit Strategy and Terms of Reference, the Panel

RESOLVED

that the Internal Audit Charter now submitted be approved.

56. INTERNAL AUDIT SERVICE: INTERNAL AUDIT PLAN

By way of a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) the Panel undertook a review of the Internal Audit Plan which sets out key features of the internal audit plan process for the period commencing April 2013. Whereupon, it was

RESOLVED

that the contents and resourcing of the Internal Audit Plan be approved.

57. 2011/12 ACCOUNTS : EXTERNAL AUDIT ISA 260 REPORT: IMPLEMENTATION OF 2011/12 RECOMMENDATIONS

Further to Minute No. 12/38 and with the aid of a report by the Accountancy Manager (a copy of which is appended in the Minute Book) the Panel was apprised of progress with the implementation of recommendations made by the Council's External Auditor, PricewaterhouseCoopers, following the audit of the 2011/12 Statement of Accounts.

Having noted that all but one of the recommendations contained in the action plan had been implemented and the outstanding Item would be completed by 30th April 2013, the Panel

RESOLVED

that the significant progress achieved to create a smooth running process for the production of this year's final accounts be noted.

58. RISK REGISTER

With the aid of a report by the Audit and Risk Manager (a copy of which is appended in the Minute Book) the Panel were acquainted with changes made to the risk register between the period 3rd September 2012 to 5th March 2013 inclusive. Whereupon, the Panel

RESOLVED

that the contents of the report now submitted be noted.

59. WORK PROGRAMME AND TRAINING

By way of a report by the Assistant Director Financial and Resources (a copy of which is appended in the Minute Book) Members were acquainted with a work programme for the Panel for 2013/14.

Having noted that the programme had been amended to reflect an increase in the number of Panel meetings from 4 to 6 per year, the Panel

RESOLVED

that the contents of the report now submitted be noted.

Chairman

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CORPORATE GOVERNANCE PANEL PROGRESS REPORT

Panel Date	Decision	Response	Date for Action	Officer Responsible
25/09/12	<p><u>Annual report on the Freedom of Information Act, Environmental Information Regulations and Data Protection Act</u></p> <p>Agreed that the previous year's statistics on the number of requests received by the Council under the Freedom of Information Act be included in future reports for comparative purposes.</p>		September 2013	Heads of IMD, Legal and Democratic Services
25/09/12	<p><u>2010/11 Accounts</u></p> <p>The corporate guide to managing projects be reviewed and approved by Chief Officers Management Team and subsequently forwarded on to Managers for their perusal.</p>	A Working Group is being established to undertake this. Timescale will be clarified once they have met.		Assistant Director Finance and Resources
12/12/12	<p><u>Corporate Business Continuity Planning</u></p> <p>Service Manager, IMD to identify site which would accommodate council services in the event of major incident at Pathfinder House. Details to be included in the 2013 Annual Report to Panel.</p>		December 2013 – Annual Report	Service Manager, IMD
12/12/12	<p><u>Fraud Investigation</u></p> <ul style="list-style-type: none"> • Identification of fraud in non welfare work and proposals for the fraud service from April 2015 onwards. • To retain the Fraud Working Group 	Fraud Team Business Plan for 2013/2014 outlines areas for non-welfare fraud consideration, including the Cambs Fraud Hub, to identify potential savings to HDC and record outcomes of this work for review by Corp Gov.	September 2014 Ongoing	Head of Customer Services Head of Customer Services

CORPORATE GOVERNANCE PANEL PROGRESS REPORT

Panel Date	Decision	Response	Date for Action	Officer Responsible
		Provisional dates included in the 2013/14 municipal calendar to enable the Working Group to meet quarterly.		
12/12/12	<u>Providing assurance for the Governance Statement</u> Draft Annual Governance Statement to May/June Panel Meeting	To allow the development of the assurance mapping process, the draft AGS will be presented to Panel in July.	July 2013	Internal Audit Manager
26/3/13	<u>Grant Certification</u> The Assistant Director Finance and Resources to write to the Department of Communities & Local Government, the Department of Works & Pensions and the Audit Commission over the cost of auditing benefit claims and requesting the criteria for taking a second sample be adjusted to require this if the errors are significant.	Letter sent	April 2013	Assistant Director Finance & Resources
26/3/13	<u>Review of Employee Consultation Information Arrangements</u> Include reference to the exercising of employer discretions in relation to the Local Government Pension Scheme for staff below Chief Officer in the list of amendments to the constitution.	Added to Panel's recommendations to Council	24 th April 2013	Democratic Services

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Agenda Item 5

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

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CORPORATE GOVERNANCE PANEL

22 MAY 2013

**REVIEW OF THE EFFECTIVENESS OF
OVERVIEW & SCRUTINY
(Report by the Internal Audit Manager)**

1. BACKGROUND

- 1.1 Following the Corporate Governance Panel's own effectiveness review in September 2012, it felt it would be beneficial for other Panels and Committees to undertake similar reviews. This report details the outcome of the review of the three Overview & Scrutiny Panels.

2. WORK UNDERTAKEN

- 2.1 A working group of 12 consisting of the Chairmen and Vice-Chairmen, three other Members (including one representative of the Liberal Democrat group) and three co-opted Members of the three Panels have undertaken their own 'critical friend' challenge. They were assisted by the Scrutiny and Internal Audit Managers. The results of the review have been considered and endorsed by all three Panels.
- 2.2 Issues within the three main themed areas of administration and structure, work programme and the review and scrutiny process were considered. A summary of these areas is attached at Annex A.

3. FINDINGS

- 3.1 Whilst the group focussed on considering current practices, they also identified opportunities to further develop and improve practices and procedures. Whilst these developments are important, they should not detract from the groups view that they are generally **acting effectively in discharging their responsibilities and fulfilling their terms of reference.**
- 3.2 Annex B is a summary of the issues identified from the review.
- 3.3 One of the areas that the working group discussed and felt could be improved, for the benefit of all, was the structure and format of written reports presented to Members. This view was endorsed by each of the Overview & Scrutiny Panels. They consider that the current report format does not allow for the quick identification of significant matters. In order to highlight these issues, the Panels agreed consideration should be given to introducing a short executive summary setting out the key issues, risks and recommendations with supporting detail contained within annexes. Chief Officers' Management Team, having noted the concerns raised, have instigated a review of the current reporting style.

3.4 Whilst a number of the issues identified could be classed as only pertaining to the work of the Panels, the working group did feel that the Council was not sufficiently engaging with the public and other stakeholders. Opportunities identified for improvement were:

- a) Increasing the frequency of press releases to engage with and seek greater public involvement with the affairs of the Council.
- b) Emailing the Decision Digest to Parish Councils to make them aware of the work that is being undertaken
- c) Making better use of the opportunities available through social media (to publicise meetings and issues to be discussed).

3.5 Opportunities for improvement relating to the work of the Overview & Scrutiny Panels included:

- d) Increasing the opportunity to influence decision making through earlier scrutiny of policy proposals.
- e) Receiving update reports on service developments and agreed actions arising from their own reviews, to allow them to note and evaluate the benefits gained.

4. RECOMMENDATIONS

4.1 It is recommended that the Panel:

- i. note that the Overview & Scrutiny Panels are acting effectively in discharging their responsibilities and fulfilling their terms of reference;
- ii. take account of the outcome of the effectiveness review when considering the annual governance statement; and
- iii. discuss whether effectiveness reviews should continue and if so, which Panel or Committee should next be reviewed.

Background Information

Notes of working group meeting

Contact Officer: David Harwood, Internal Audit Manager

☎ 01480 388115

Issues considered by the Working Group

Administration & structure

1. Are the Panels terms of reference (attached) still appropriate?
2. Is the Panel currently working within its terms of reference and considering/dealing with all the issues they cover?
3. Are Members clear about the differences between the overview and scrutiny roles they perform?
4. Is the Panel satisfied that it has sufficient authority and resources to fulfil its terms of reference and perform its role effectively?
5. Panel membership has to conform to proportionality requirements. Bearing that in mind, is the Panel satisfied that its membership demonstrates independence?; and that its meetings are free and open without political influences being displayed?
6. Is the Panel content that it has access to proper technical and professional advice when necessary?
7. Is the dedicated Officer support provided to the Panel sufficient?
8. Are the Panel agendas of appropriate length to allow sufficient debate to take place on all the items?
9. Are meetings held frequently enough to allow the Panel to consider items of topicality as well as its normal business? (I understand that there has previously been a suggestion that the number of Panels should be reduced to save money. Would this allow for sufficiently robust overview and scrutiny to take place?).
10. Do the reports presented to the Panel contain sufficient details to allow decisions to be reached promptly? Are the reports too long/sufficiently well summarised?
11. Do members of the public engage with the work of the Panel?

Work programme

12. Does the Panel determine its own work programme?
13. Is the Forward Plan clear and informative? Does the Panel feel it is complete?
14. Does the Panel feel that it receives timely and sufficient information on policy initiatives/strategic decisions to allow it to:
 - include these issues into its work programme?; and
 - contribute (during the drafting stages) and influence (pre-decision)?
15. Does the Panel regularly and robustly review arrangements for performance and (Economic Panel) financial management?
16. Does the Panel receive timely and sufficient information about key and delegated decisions? Are these considered for inclusion in its work plan?
17. Is there active use of the call-in process to debate and challenge executive decisions, either before or after they are taken?
18. Has the Panel considered how it:
 - integrates with other Panels?;

Issues considered by the Working Group

- ensures that duplication of effort is avoided?; (e.g. changes to housing benefits are in the remit of the Social Panel because it is responsible to housing but there are significant financial implications for the Council that fall to the Economic Panel).
 - could use the work already performed (across the Council) to influence its programme?
19. Does the Executive utilise the skills and capacity of the Panels by actively seeking their views?
20. Do all Members receive regular information on planned and on-going scrutiny reviews?
21. Are all Members invited to contribute to the scrutiny process?

Review & Scrutiny process

22. Does the Panel have a scheme that allows it to consider and then prioritise reviews?
Are clear and concise terms of reference, review and reporting timescales for reviews always agreed by Panel prior to commencement?
23. Does the Panel
- Specifically consider how the review will '*make a difference*' to service delivery and/or improve customer satisfaction?
 - Find that reviews are completed and reports issued on a timely basis?
 - Consider reports in a reasonable timescale?
24. Is the Panel satisfied with the support received from Officers?; and that the information they receive is always complete, accurate and without ambiguity?
25. Is there any formal assessment or reporting back to the Panels on the impact of the scrutiny reviews?; or the monitoring of the implementation of any recommendations which are accepted?
26. When issues are referred to the Panel for review prior to consideration by Cabinet, do the Panel feel that they have sufficient time to consider the issues raised before the Panel meets?
27. Do the Panel feel that they hold Executive Members to account (as against Senior Officers)?
28. How robust are the discussions with Executive Members and Senior Officers when they are invited to participate in discussions and provide information?
29. How does the Panel satisfy itself that its recommendations and views are considered by Cabinet, Council, Leadership? (Are there any examples of Panels views being incorporated into the *final decision*?)
30. Is there sufficient liaison/feedback/communication from the Executive (either formal or informal) to the Panel on the recommendations it makes and decisions ultimately taken?
31. Is the Panel sufficiently challenging to the Executive? .

Conclusions

32. How do you judge whether the Panels are effective are not?
33. How could the Panel become more effective in meeting its terms of reference?

Opportunities for improvement identified by the Working Group

ISSUES IDENTIFIED

Administration and Structure

Current practice

Improving the effectiveness of the Council

- 1 Panel members, both elected and appointed, have a wide breadth of knowledge and experience to share. They are a valuable resource that the Council cannot afford to waste.

There was, in the main, a lack of party politics at meetings, allowing issues to be considered and challenged in an open manner without consideration of 'political' agendas.

Getting the greatest benefit from the meetings

- 2 Some meetings are becoming longer due to the number of items being considered. Whilst one Panel has time allocated for discussion, the length of the agenda for other meetings means that discussion etc has sometimes been curtailed.

(The Working Group are aware that in the recent past consideration was given to reducing the number of Panel meetings for financial reasons. This is not supported. It is felt that the 'democratic deficit' through having fewer meetings would not be off-set by the financial savings obtained).

Action to be taken

Opportunity for improvement

The appropriate Democratic Services Officer will liaise with the Chairman (Action: Immediately).

- a. The Panel Chairman to be consulted before the agenda is published on the order of papers to be discussed and the time to be allotted to each item

Other meetings means that discussion etc has sometimes been curtailed.

This will be kept under review and additional meetings called as and when required.

- b. The Panel Chairman together with Officers, consider the overall number and frequency of meetings with a view to increasing the number of meetings to allow the Panels sufficient time to consider and debate business.

Opportunities for improvement identified by the Working Group

Current practice	Opportunity for improvement	Action to be taken
<p>3 In accordance with Council practice, agenda papers are dispatched to Panel members usually 10 days prior to a meeting. Agendas for the last three meetings of each Panel were on average; 65 pages : Economic 103 : Environmental 104 : Social</p> <p>The practicalities of publishing agenda papers earlier was discussed but discounted. (Increasing pre-scrutiny is dealt with at point 16). Discussion about report content and format reached a consensus that current practices could be improved. A variety of alternative options were discussed.</p>	<p>c. Reports are public documents and should be able to be read, understood (by a wide audience) and acted upon in a single reading. They should be written in plain english without reference to technical or local government jargon. All acronyms should be explained in full.</p> <p><i>[O&S (Social Well-Being) suggested that a glossary of terms should be produced. They also supported a further suggestion that a glossary should be included within Committee/Panel reports].</i></p>	<p>A glossary of terms will be prepared (and maintained) by Democratic Services and made available on the intranet and emailed to all Members. (Action: 30 June 2013)</p> <p>Chief Officers' Management Team are requested to remind Officer's that all acronyms should be explained in full (Action: Immediately)</p>
<p>4 Questioning of Officers and Executive Members is generally of a good standard and continues to improve.</p> <p>It was felt that more could be done in this area, to both improve questioning and the management of the meetings and obtain a fuller understanding of the issues that are being discussed.</p>	<p>d. To allow Members to quickly understand the implications of a report, consideration should be given to introducing a short executive summary setting out the key issues, risks and recommendations. Supporting detail should be contained within annexes. There was a strong suggestion that Members should see reports earlier.</p> <p>e. If requiring specific information relating to a report, Members should be encouraged to submit written questions to the appropriate Officer or Executive Member in advance of the meeting.</p> <p>f. An Action Log should be maintained containing minor issues (e.g. unanswered questions) that require follow up action.</p>	<p>Chief Officers' Management Team are to review the current reporting style. The views expressed by the working group will be taking into consideration in the review. (Action: COMT to progress and consider any changes by 30 September 2013).</p> <p>Democratic Services will remind Members regularly of the opportunity available for 'in advance' questions (Action: Ongoing).</p> <p>Democratic Service Officer's will prepare/submit Action Logs for the three Panels (Action: Immediately).</p>

Opportunities for improvement identified by the Working Group

Current practice	Opportunity for improvement	Action to be taken
<p>Officer Support</p> <p>5 Support from Democratic Services was good, across both meeting management & administration and the support provided to individual scrutiny reviews.</p> <p>6 Technical and professional input from Officers to scrutiny reviews etc was generally of a good standard. Forthright discussion on this area concluded that some senior Officers appeared overly defensive and reticent to provide full responses.</p> <p>Officers below Head of Service appeared to welcome the opportunity to explain to Panel what they and their service do. Officers at this level should be invited to Panels more frequently.</p>	<p>g. All members involved in O&S should seek opportunities to improve their questioning skills.</p> <p>h. The Working Group would like Chief Officers' Management Team to remind Officers that scrutiny reviews should not be viewed as hostile or being undertaken with any motive other than benefiting and improving service provision.</p>	<p>Democratic Services will continue to provide training in the area of questioning (Action: training will be offered at least once per year)</p> <p>Chief Officers' Management Team have already reminded Heads of Service and Activity Manager of the opportunities that scrutiny offers.</p>
<p>How well do the Panel's engage with the public?</p> <p>7 The engagement of the public with the Panels was considered. Various differing views were expressed. Disappointment was expressed that little was gained when the Panels met across the District whilst Pathfinder House was being constructed.</p> <p>The lack of press interest in the work of the Panel and the Council in general was also considered. Serious concerns were</p>	<p>i. Press releases (including the use of social media) saying 'what's been done' should be issued regularly as a way of engaging with and seeking greater public involvement.</p> <p>The Decision Digest should be emailed to Parish Council's.</p> <p>To allow members of the public to raise issues, a short open public forum (not a</p>	<p>It is noted that an internal audit review into the Council's use of social media is currently underway. The Working Group's concerns regarding press interest in the Panels' work programmes and the difficulties associated with generating public engagement will be considered in that review.</p> <p>Regular messages on the</p>

Opportunities for improvement identified by the Working Group

Current practice
expressed about this.

Opportunity for improvement
question & answer session) be held at the start of each O&S Panel meeting.

[During discussions of the Working Group's report] Councillors L A Duffy and S Greenall volunteered to champion the use of Twitter and Facebook respectively as a way of seeking public participation in the work of the Panels.

Action to be taken
opportunity the public has to attend meetings and subjects under discussion will be put on social media sites (Action: process to be introduced following conclusion of internal audit review).

The Decision Digest will be emailed to Parish Council Clerk's (Action: Immediately).

The Democratic Services Manager to consider how open public forums could be introduced and what changes, if any, are required to the Constitution. A report on the options available to be considered by each Panel. (Action: 31 October 2013).

Work Programme

Deciding Workload

8 All the Panel's determine their own workload. Notice of Executive Decisions information is clear. This allows policy initiatives/strategic decisions to be included in the work programmes.

9 The Working Group did have some concerns about receiving reports only a few days before they were to be considered by Cabinet (e.g. Report on the contribution of agriculture...in the context of planning policies. Environmental Well-Being on 11 September and Cabinet on 13

j. The timing of reports that are to be considered by both Cabinet and Panel to be investigated to consider the practicalities of allowing Panel more time to consider Policy matters.

See item 16.

Opportunities for improvement identified by the Working Group

Current practice	Opportunity for improvement	Action to be taken
September).		
10 Whilst the call-in process had not been used regularly , when it had been, it was considered beneficial.		
How well do the Panel’s work together?		
11 The three Panels work well together in considering how they are going to examine issues and take lead responsibilities. The meetings between Panel Chairmen and Vice-Chairmen have been effective in developing this approach.	k. Without losing the opportunities that are currently available for each Panel to undertake their ‘overview’ role, consideration be given to joint Panel meetings as & when required to discuss ‘contentious’ items (e.g. green-bin charging).	The Democratic Services Manager to circulate the Panel agendas to the three Panel Chairman for information and to assist with identifying opportunities for joint meetings. (Action: Immediately).
	l. Whilst appreciating why reports are presented to more than one Panel, the Working Group would like to see reports only being presented to one Panel if at all possible. (The Working Group acknowledged the difficulties that this may cause and suggest that each Panel consider how this could work effectively).	This will be kept under review. Democratic Services will provide guidance to Officer’s (Action: Ongoing).
The Economic Panel take the lead on main financial and budgetary matters. Whilst there has been some involvement with the other Panels across this area, it has been limited. In the current difficult financial times, the Working Group would like to see all Panels robustly challenge finances and financial decisions within reports. It is accepted that due to the	m Each Panel should be mindful of the financial/economic aspects of issues being discussed.	Panel Chairman to remind Panel Members of the importance of considering financial/economic aspects of the issues under discussion (Action: Immediately).

Opportunities for improvement identified by the Working Group

Current practice	Opportunity for improvement	Action to be taken
<p>timing of meetings, there is limited opportunity for comments to be referred from one Panel to another.</p>		
<p>With the exception of O&S, formal meetings do not take place with other Panel or Committee Chairman. Nothing of substance could be thought of that had 'slipped through the net' due to this lack of communication.</p>		

Review and scrutiny process

Conduct of scrutiny reviews

- 12 Panel's have undertaken a number of scrutiny reviews and these were considered to be successful in the main. Occasionally there has been some confusion as to the methodology that should be used, or how suitable evidence can be obtained, to allow the review to be undertaken as effectively as possible.
- 13 Social Panel review on the NHS proposals for changes to Mental Health Services was particularly effective as the questions that needed to be addressed were shared with the NHS prior to Panel meetings. This allowed full responses to be provided and allowed good discussion and evidence to be obtained to support the report's findings.
- Panel Chairman to ensure the methodology is completed at the start of studies (Action: Immediately).
- n. Closer adherence to the agreed study methodology.

Opportunities for improvement identified by the Working Group

Current practice	Opportunity for improvement	Action to be taken
<p>14 The Group recognise that Panels have few powers to compel people to introduce what they recommend but consider that they have influence and the support of the Executive. Recommendations are acted upon. The Group felt that on occasions, the reports presented had pre-determined outcome, leaving the Panel little option but to support the recommendations being proposed.</p>	<p>o. Reports should present a range of options for Panel to consider, rather than direct the Panel to one particular outcome. In terms of effectiveness generally, the Working Group had formed the view that this could be demonstrated by the influence the Panels exerted on the Cabinet.</p>	<p>As part of the annual review of the Council's Constitution, it has been agreed that the Cabinet should be required to produce a formal response to the Panels' recommendations. This was approved by Council in April.</p>
<p>15 Contact is maintained with a service following completion of a review. Member 'Champions' are appointed to maintain cont Democratic Services act with the service and retain oversight of the service developments. The Group felt that this could be further improved.</p>	<p>p. Update reports on service developments and agreed actions arising from reviews should be presented to the Panel after six months (and then at a frequency to be decided by the Panel) so that they could note and evaluate the benefits gained</p>	<p>Panel Chairman promote the appointment of the Member Champion role (Action: Ongoing). Appointment of Champions to be formalised and a list of appointments maintained (Action: Immediately).</p>
<p>Overview of the decision making process</p> <p>16 The Working Group were aware that their role was not to duplicate the work of the Executive, rather influence its decision making.</p> <p>The Group, in considering their relationship with the Executive, considered that a greater involvement at</p>	<p>q. The Chairman of the Panels and the Executive Leader should discuss whether there are opportunities for the Panels to receive information earlier; allowing the Panels a greater opportunity to influence, but not direct, decision making. This will also enable the Panels to identify matters that might require</p>	<p>The action logs be used to record 'update' reports due as well as allow the Chairman to provide updates on matters of interest (Action: Ongoing).</p> <p>The Panel Chairmen have met the Executive Leader. He welcomed early engagement from the Panels. The Forward Plan to be used to identify issues that the Panel wish to consider and have the opportunity to influence. If appropriate, a Member Champion be appointed at this early</p>

Opportunities for improvement identified by the Working Group

Current practice	Opportunity for improvement	Action to be taken
<p>the pre-decision stage would be useful so that they had the potential to influence executive decisions. Concerns were expressed however, that if this was pursued, then changes need to be made to the current process whereby reports presented to both Panel and then Cabinet appeared on Panel agendas without any forewarning, leaving the Panel no time to conduct their own research or consult with key stakeholders, examine alternative approaches or make sufficiently meaningful contribution.</p>	<p>debate later in the policy-making process.</p> <p>r. When considering the Notice of Executive Decisions, seek a volunteer or nominate a Panel Member to speak to the appropriate Officer about a particular item that is due to be considered. The Member to report back to the Panel and lead a discussion on the level of pre-scrutiny that may be required.</p>	<p>stage to lead on the matter on behalf of the Panel. (Action: Completed/Ongoing).</p> <p>Panel Chairman promote the appointment of the Member Champion role (Action: Ongoing).</p>
<p>17 The Group were concerned that some Executive Members appeared to rely on Officers too much when explaining policy. Panel wanted to hear the views of the Executive Councillor and question them.</p>	<p>s. Questions about policy to be directed to Executive Councillors. Officers to answer factual/technical questions.</p>	<p>Panel Chairmen to direct questions about policy to Executive Councillors (Action: Ongoing).</p>

**REVIEW OF THE EFFECTIVENESS OF
THE INTERNAL AUDIT SERVICE
(Report by the Internal Audit Manager)**

1. INTRODUCTION

- 1.1 This report details the outcome of the annual review of the effectiveness of the Internal Audit Service as required by the Accounts & Audit Regulations 2011.
- 1.2 A self assessment review has been conducted by the Internal Audit Manager against 'proper practice', which consists of the:
- Public Sector Internal Audit Standards (PSIAS): and the
 - Local Government Application Note to the PSIAS.
- 1.3 The Application Note contains a detailed and lengthy checklist of over 200 questions which has been used as the basis for the self assessment. The completed checklist has been circulated to Members of the Panel in advance of the meeting.

2. PREVIOUS REVIEWS

- 2.1 The last review, which was conducted against previous 'proper practice' (the Cipfa Code of Audit Practice for Internal Audit in the United Kingdom) was reported to the Panel in September 2012. An action plan was endorsed by the Panel, the outcomes of which are reported in Annex A.

3. ANNUAL GOVERNANCE STATEMENT

- 3.1 Whilst there are many similarities between the Cipfa Code of Audit Practice and the PSIAS there are also a number of significant differences. The review has highlighted those differences and given the Internal Audit Manager an early opportunity to consider if there are any significant areas of non-conformance.
- 3.2 Instances of non-conformance with the PSIAS have to be included in the Internal Audit annual report together with the results of the quality and assurance improvement programme (QAIP) and progress against any improvement plans. Significant variations should be considered by the Panel for inclusion in the Annual Governance Statement.
- 3.3 The Internal Audit Manager is of the opinion that whilst there are some areas of non-conformance, these are not considered to be significant enough, either individually or collectively, to warrant inclusion in the annual governance statement.

4. SELF ASSESSMENT OUTCOME

4.1 The Internal Audit Service is considered to:

Conform with the following Standards:

PSIAS	Description
Code of Ethics	Integrity, Objectivity, Confidentiality & Competency
1000	Purpose, Authority & Responsibility
1100	Independence & Objectivity
1200	Proficiency & Due Professional Care
2000	Managing the Internal Audit Activity
2100	Nature of Work
2200	Engagement Planning
2300	Performing the Engagement
2400	Communicating Results
2500	Monitoring Progress
2600	Communicating the Acceptance of Risks

Not conform with the following Standard:

PSIAS	Description
1300	Quality Assurance & Improvement Programme

4.2 Non conformance with PSIAS 1300 is due to not having a formal QAIP in place or having undertaken an external assessment of the service.

The Institute of Internal Auditors in their Practice Guide to the QAIP, state that the QAIP should include a rating scale to assess internal audits level of conformance with the Standards. The IIA has a number of different quality models available. These have not yet been fully reviewed. A report will be presented to Panel on the quality model options available once they have been considered.

4.3 There are a number of questions in the checklist that refer to consultancy engagements. The report to Panel in March 2013 on the Internal Audit Plan for 2013/14 explained that no consultancy engagements (as defined by the PSIAS) were included in the audit plan. As a result the questions relating to consultancy engagements have not been completed as they are not considered to be applicable.

5. RECOMMENDATIONS

5.1 It is recommended that the Panel:

- a. note that the outcome of the Internal Audit Manager's self-assessment which shows that the Internal Audit Service generally conforms with the PSIAS;

- b. note the action plan (Annex B) that has been prepared to address the areas of non-conformance identified from the self-assessment; and;
- c. confirm that the non-conformance issues (within Annex B) are not significant enough to be considered for inclusion in the Annual Governance Statement.

Background Information

Application Note checklist to the PSIAS

Contact Officer: David Harwood, Internal Audit Manager

☎ 01480 388115

**Cipfa Code of Audit Practice
Non-compliance and Areas for Improvement : September 2012 review**

Code Ref.	Requirement	2012 Review : Areas for Improvement	By when	Action taken	Actioned
1.1.1	Terms of reference. The Code asks a number of questions in relation to the terms of reference. The current terms of reference are considered to meet the Code, with the exception of defining consultancy work.	As agreed by the Panel in June 2012, terms of reference are not going to be revised until the national Public Sector Internal Audit Standards (PSIAS) have been published, expected early in 2013.	March 2013	PSIAS became effective on 1 April 2013. CGP approved Internal Audit Charter (23 March 2013) which reflects the PSIAS requirements. Terms of reference document no longer required.	Yes.
1.4.2	Has the Internal Audit Manager made arrangements, within the organisation's anti-fraud and anti-corruption policies, to be notified of all suspected or detected fraud, corruption or impropriety?	Changes to be made to the Employees Code of Conduct to make explicit the notification requirement.	May 2013	Paragraph 12.5 of the Code of Conduct amended.	Yes
10.3.1	Has the Internal Audit Manager defined the need for and the form of any follow-up action?	The audit manual needs to be amended to reflect the changes that have come about through the SharePoint audit actions system. Auditors are aware of the process to be followed.	December 2012	Audit manually updated in December 2012 to reflect the changes.	Yes
11.1.1	Is there an audit manual?	Electronic version in place. It needs to be reviewed and updated to take account of current procedures and recent initiatives.	March 2013	The review of the internal audit manual is an on-going process. Further changes will be required to reflect the PSIAS.	Yes & ongoing.

**Public Sector Internal Audit Standards
Non-conformance and Areas for Improvement : May 2013 review**

PSIAS Ref.	Requirement	Issue identified	Non-conformance		To be actioned by
			AGS issue?		
			Yes	No	
Attribute Standard 1000: Purpose, Authority and Responsibility					
1110	Does the chief executive or equivalent undertake, countersign, contribute feedback to or review the performance appraisal of the Internal Audit Manager?	This is a new requirement and will be included in the 2014 appraisal process.		No	May 2014
1110	Is feedback sought from the chair of the Corporate Governance Panel for the Internal Audit Manager's performance appraisal?	This is a new requirement and will be included in the 2014 appraisal process.		No	May 2014
1120	Do internal auditors avoid any conflict of interest, whether apparent or actual?	One internal auditor is a Staff Side representative; this is managed by the Internal Audit Manager not allocating to them audits that fall within 'HR' areas. Disclosure of this impairment to objectivity was reported to CGP In March 2013.		No	-----
1130	Are assignments for ongoing assurance engagements and other audit responsibilities rotated periodically within the internal audit team?	With the introduction of 'continuous auditing' in Sept 2012, auditors are currently each allocated a number of key financial areas to review. Once the continuous auditing approach has become established, these audits will be rotated across the internal audit team.		No	September 2013

**Public Sector Internal Audit Standards
Non-conformance and Areas for Improvement : May 2013 review**

PSIAS Ref.	Requirement	Issue identified	Non-conformance		To be actioned by
			AGS issue?		
			Yes	No	
1130	Have internal auditors complied with the Bribery Act 2010?	Whilst there is no evidence to suggest non compliance, the whole issue of objectivity, impairment, conflicts etc will be specifically addressed through training provided by the Internal Audit Manager.		No	August 2013
Attribute Standard 1200: Proficiency and Due Professional Care					
1210	Does the Internal Audit Manager hold a professional qualification, such as CMIIA/CCAB or equivalent?	The Internal Audit Managers lack of a professional qualification was reported to CGP in March 2013. CGP were informed of the post-holders overall proficiency (knowledge, skills and experience) and that the lack of a professional qualification was not considered detrimental to the management or delivery of the internal audit service. This was formally noted by the CGP		No	-----
Attribute Standard 1300: Quality Assurance & Improvement Programme					
1300	Has the IAM developed a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity and enables conformance with all aspects of the PSIAS to be evaluated?	The QAIP is a new requirement and needs to be fully understood and introduced. A QAIP Practice Guide has been issued by the Institute of Internal Auditors. A review against the Guide will be undertaken prior to the 2014 effectiveness review of internal audit.		No	April 2014

**Public Sector Internal Audit Standards
Non-conformance and Areas for Improvement : May 2013 review**

PSIAS Ref.	Requirement	Issue identified	Non-conformance		To be actioned by
			AGS issue?		
			Yes	No	
1311	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	The Internal Audit Manager has not completed a review against the risk based plan or aims and objectives. This is primarily due to timing differences between the effectiveness review and the preparation of the internal audit annual report, and not appreciating the requirements of the PSIAS. Future reviews will run simultaneously.		No	July 2013
1321	Has an external assessment been carried out, or is planned to be carried out, at least once every five years?	The first external assessment is due to be carried out during 2013/14 by the Internal Audit Manager of the Welland Consortium.		No	April 2014
1321	Has the Internal Audit Manager discussed the proposed form of the external assessment and the qualifications and independence of the assessor or assessment team with the Corporate Governance Panel?	The proposed form and scope of the external assessment has yet to be discussed with CGP. This will be addressed before the external assessment commences.		No	December 2013

**Public Sector Internal Audit Standards
Non-conformance and Areas for Improvement : May 2013 review**

PSIAS Ref.	Requirement	Issue identified	Non-conformance		To be actioned by
			AGS issue?		
			Yes	No	
Attribute Standard 2000: Managing the Internal Audit Activity					
2000	Do individual internal auditors, who are part of the internal audit activity, demonstrate conformance with <i>the Code of Ethics</i> and the <i>Standards</i> ?	Whilst the audit review sheet requires internal auditors to confirm they have no conflicts of interest in respect of the review they are to perform, the PSIAS requirements are wider. Annual statement to be introduced regarding acceptance of the Code of Ethics. Additionally the Internal Audit Manager intends to undertake training with the internal auditors to explain the main changes brought about by the PSIAS.	No		August 2013
2010	Does the Internal Audit Manager identify and consider the expectations of senior management, the Corporate Governance Panel and other stakeholders for internal audit opinions and other conclusions?	Descriptions of assurance opinions are included in the annual report. Internal Audit Manager considers it would be beneficial to refresh and discuss opinions, so that any changes can be included in the 2013/14 annual report/opinion.	No		July 2013
2040	Has the Internal Audit Manager established policies and procedures to guide staff in performing their duties in a manner that conforms to the PSIAS? Are the policies and procedures regularly reviewed and updated to reflect changes in working practices and standards?	The audit manual outlines the procedures to be followed. It needs to be updated to reflect the changes brought about by the PSIAS.	No		On-going August 2013

**Public Sector Internal Audit Standards
Non-conformance and Areas for Improvement : May 2013 review**

PSIAS Ref.	Requirement	Issue identified	Non-conformance		To be actioned by
			AGS issue?		
			Yes	No	
2050	Has the Internal Audit Manager carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	Sources of assurance other than from internal audit have been included in the internal audit annual report. CGP agreed to undertake assurance mapping to assist with the annual governance process. It is anticipated that this will commence prior to July 2013 CGP and be able to used in the annual planning process for 2014/15.		No	March 2014
Attribute Standard 2400: Communicating Results					
2450	Does the Internal Audit Managers annual report include: <ul style="list-style-type: none"> • a statement on conformance with the PSIAS? • the results of the QAIP? 	The effectiveness review was completed (May 2013) before the annual report was prepared. The annual report (anticipated to be presented to CGP in July 2013) will cover both items.		No	July 2013

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WORK PROGRAMME & TRAINING
(Report by the Assistant Director Finance & Resources)

1. WORK PROGRAMME

- 1.1 The anticipated work programme for the Panel for the next year is shown at Annex A
- 1.2 Panel are asked to consider the work programme and decide what training they would like in preparation for the next or future agendas. Normally this training would be for 30-45 minutes immediately prior to the formal meeting but there may be occasions when a separate longer session would be more appropriate.
- 1.3 Training can be provided by appropriate officers, external audit or external trainers (subject to budgetary constraints).
- 1.4 Panel Members have been circulated details of a training event organised by Hertfordshire County Council.
- 1.5 Panel will be aware that the meeting to discuss assurance mapping and how that will support the annual governance statement has not been held. It is anticipated that the meeting will be held before the July meeting, when the draft annual governance statement will be discussed.

2. RECOMMENDATION

- 2.11 It is recommended that Panel consider what training is to be provided prior to the July meeting.

BACKGROUND INFORMATION

None

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

Anticipated Work Programme

24 July 2013

- Assurance mapping
- Feedback – annual report
- Internal audit annual report & opinion
- Effectiveness of the Panel
- Draft Annual Governance Statement

26 September 2013

- Assurance mapping
- Approval of the statement of accounts
- Approval of the Annual Governance Statement
- External audit – ISA 260 report

27 November 2013

- Assurance mapping
- Internal Audit interim progress report
- Housing Benefit fraud investigation activity
- Whistleblowing : policy review & investigations
- National Fraud Initiative

29 January 2014

- Assurance mapping
- Progress on issues raised in the Annual Governance Statement
- Review of the risk management strategy
- Review of the anti-fraud & corruption strategy

26 March 2014

- Assurance mapping
- Review of Council constitution
 - Code of financial management
 - Code of procurement
- Internal Audit Plan
- External Audit
 - Audit plan
 - Grant claims

May 2014

- Assurance mapping
- Review of the internal audit service
- Internal audit annual report & opinion

In addition to the items listed above, reports may be submitted on an ad-hoc basis on

Awards of compensation	Employee's code of conduct
Ombudsman reviews	Money laundering and bribery
Accounting policies	