

A meeting of the **CORPORATE GOVERNANCE PANEL** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN** on **WEDNESDAY, 23 JULY 2014** at **6:30 PM** and you are requested to attend for the transaction of the following business:-

***PRIOR TO THE MEETING THERE WILL BE A PRESENTATION FOR PANEL MEMBERS IN THE CIVIC SUITE COMMENCING AT 6PM ON LEGISLATIVE AND PROPER PRACTICE REQUIREMENTS.***

#### **APOLOGIES**

**Contact  
(01480)**

**1. MINUTES (Pages 1 - 8)**

To approve as a correct record the Minutes of the meeting held on 14<sup>th</sup> May 2014.

**Mrs H J Taylor  
388008**

**2. MEMBERS' INTERESTS**

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

**3. IMPLEMENTATION OF AGREED AUDIT ACTIONS**

To receive a verbal update from the Managing Director.

**Mrs J Lancaster  
388001**

**4. INTERNAL AUDIT AND RISK MANAGER JOB DESCRIPTION  
(Pages 9 - 12)**

To receive a report by the Head of Resources.

**C Mason  
388157**

**5. CORPORATE GOVERNANCE - PROGRESS REPORT (Pages 13 - 14)**

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

**Mrs H J Taylor  
388008**

**6. OFFICE OF THE SURVEILLANCE COMMISSIONER- RIPA  
INSPECTION 4TH JUNE 2014 (Pages 15 - 28)**

To receive a report by the Corporate Fraud Manager on the inspection by the Interception of Communications Commissioner.

**N Jennings  
388840**

**7. FRAUD WORKING GROUP**

To reaffirm the membership of the Fraud Working Group, current membership is Councillors M G Baker, E R Butler, G J Harlock and P G Mitchell.

**Mrs H J Taylor  
388008**

8. **PREPARING THE ANNUAL GOVERNANCE STATEMENT** (Pages 29 - 32)
- To consider a report by the Internal Audit and Risk Manager on the action taken to review the Code of Corporate Governance and seeking comments on the Council's draft Annual Governance Statement for 2013/14.
- D Harwood  
388115**
9. **INTERNAL AUDIT SERVICE - INTERNAL AUDIT PLAN** (Pages 33 - 42)
- To consider a report by the Internal Audit and Risk Manager regarding the Internal Audit Plan for the period April 2014 to March 2015.
- D Harwood  
388115**
10. **MEMBERS' ALLOWANCES SCHEME - VARIATION TO SUPPORT GUIDELINES** (Pages 43 - 48)
- To consider a report of the Head of Legal and Democratic Services proposing a variation to the Members Allowances Scheme – support guidelines relating to IT equipment and broadband connections for Members.
- Ms C Deller  
388007**
11. **REVIEW OF THE EFFECTIVENESS OF THE LICENSING AND PROTECTION PANEL/COMMITTEE** (Pages 49 - 56)
- By way of a report by the Internal Audit and Risk Manager, to consider the findings of a review into the effectiveness of the Licensing and Protection Panel/Committee.
- D Harwood  
388115**
12. **WORK AND TRAINING PROGRAMME** (Pages 57 - 60)
- To consider a report by the Internal Audit & Risk Manager.
- D Harwood  
388115**

Dated this 16 day of July 2014



Head of Paid Service

**Notes**

**1. 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.*

#### **Non-Statutory Disclosable Interests**

- (4) *If a Member has a non-statutory disclosable interest then you are required to declare that interest, but may remain to discuss and vote providing you do not breach the overall Nolan principles.*
- (5) *A Member has a non-statutory disclosable 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 a disclosable pecuniary interest, 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, or*
  - (c) *it relates to or is likely to affect any body –*
    - (i) *exercising functions of a public nature; or*
    - (ii) *directed to charitable purposes; or*
    - (iii) *one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a Member or in a position of control or management.*

*and that interest is not a disclosable pecuniary interest.*

## **2. Filming, Photography and Recording at Council Meetings**

*The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening at meetings. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and available via the following link [filming, photography and recording at council meetings.pdf](#) or on request from the Democratic Services Team. The Council understands that some members of the public attending its meetings may not wish to be filmed. The Chairman of the meeting will facilitate this preference by ensuring that any such request not to be recorded is respected.*

**Please contact Mrs H Taylor, Senior Democratic Services Officer, Tel No: 01480 388008 / e-mail: [Helen.Taylor@huntingdonshire.gov.uk](mailto: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 Cabinet.**

**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](http://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 Meeting Room 1A, Ground Floor, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 14 May 2014.

PRESENT: Councillor E R Butler – Chairman.  
Councillors M G Baker, G J Harlock,  
P Kadewere and R J West.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors K J Churchill, R Harrison and P G Mitchell.

### **68. MINUTES**

The Minutes of the meeting of the Panel held on 26<sup>th</sup> March 2014 were approved as a correct record and signed by the Chairman.

### **69. MEMBERS' INTERESTS**

No declarations were received.

### **70. CORPORATE GOVERNANCE - PROGRESS REPORT**

The Panel received a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) which contained details of actions taken in response to recent discussions and decisions.

### **71. REVIEW OF THE CONSTITUTION**

Further to Minute No 13/60 and by way of reports by the Head of Legal and Democratic Services (copies of which is appended in the Minute Book) the Panel considered:

- the recommendations of the Working Group, established by the Panel, on proposed changes to the operation of the Council meeting including the headline debate, green paper feature, ten minute address by Councillors, frequency of meetings, Annual State of the District Address, oral questions, Council Programme Meeting and Reports of the Cabinet, Panels and Committees;
- the outcome of a review of the procurement thresholds referred to in the Code of Procurement; and
- the conclusions reached by the Chairmen and Vice Chairmen of the Overview & Scrutiny Panels on the future operation of overview and scrutiny.

In discussing a suggestion that provision be made for Members to address the Council for up to 10 minutes on a subject of their choice, the Panel felt that it was not necessary to introduce such an

arrangement as there was already sufficient mechanisms to address the Council.

The Panel also discussed a proposed initiative which would give increased opportunities to hold the Cabinet to account. In supporting the proposal, Members felt that 10 minute presentations for up to two Executive Councillors per Council meeting should be introduced followed by a 20 minute period for questions to all Members of the Cabinet.

With regard to the future of Overview and Scrutiny Panels, Members were concerned over the lack of any information as to the remit of the proposed four panels and concluded that the matter should be reconsidered once the scope of the proposed panels was known.

In terms of the future role and Chairmanship of the Council Programme Meeting, the Panel concurred with the Working Group that this meeting should continue to be chaired by the Chairman of the Council and that the meeting itself should consider its future role and terms of reference.

Attention was drawn to proposed new arrangement for presenting the reports of Committees and Panels to the Council. Members felt that reports of all Committees and Panels should continue to be presented to Council but that presentation changes be made to make the Council meeting more efficient.

Given that the changes identified require amendments to be made to the Council's Constitution and in noting that any recommendations would need to be submitted to the Annual Council meeting on 4<sup>th</sup> June 2014 for implementation with effect from commencement of the new Council year, the Panel

## RECOMMEND

- (a) that the opportunity for single issue debates at Council meetings be continued but only where a specific need arose and that the length of such debates be strictly restricted for up to 60 minutes duration only;
- (b) that topics for debate continue to be identified by the Council Programme Group;
- (c) that it no longer be necessary to reserve one Council meeting per annum at which the Opposition Groups and Independent Members would be entitled to select the topic for debate;
- (d) that Green Paper items be retained on the Council Agenda as required and 10 minutes set aside for this purpose;
- (e) that the November Council meeting be deleted from the meetings calendar;
- (f) that the Council's Procedure Rule 20.2 be suspended to allow the word "Autumn" in paragraph 12.1 of the

Council Procedure Rules deleted and replaced by the word "Summer", with immediate effect;

- (g) that the Council's Procedure Rule 20.2 be suspended and the following changes with regard to Oral Questions by Councillors introduced, with immediate effect:-
  - (h) ten minute presentations for up to two Executive Councillors per Council meeting with the opportunity for questions to follow;
  - (ii) a 20 minute period for questions to Members of the Cabinet;
  - (iii) where the subject matter demands a comprehensive detailed answer, the question be submitted by noon at least 8 clear days in advance of the meeting; and
  - (iv) the separate 30 minute period for oral questions be discontinued;
- (h) that the Council Programme Meeting continue to be chaired by the Chairman of the Council;
- (i) that arrangements for a new seating layout at Council meetings be supported;
- (j) that where Reports of the Cabinet, Panels and Committee contain recommendations these be presented to Council by their respective Chairmen from their place in the body of the meeting;
- (k) that other Reports to Council be presented, purely for information, by the Chairman of the Council, who shall invite questions to the relevant Chairmen in a general sense and these reports be enclosed as an information pack to the rear of the Council book; and
- (l) that in paragraph 5.6 of the Code of Procurement the table relating to the value of procurement requirements be amended as follows:

<b>Up to £5,000</b>	At least 1 written estimate or offer (e-marketplace, email, web or paper) shall be sought and recorded.
<b>£5,000 up to £15,000</b>	At least 3 written estimates or offer (e-marketplace, email or <b>headed paperwork</b> ) shall be sought and recorded.

<p>£15,000 to £50,000</p>	<p>At least 3 formal quotations or offers shall be invited, unless the Manager has complied in full with paragraph 6.1e of this Code. The Manager will consider whether the nature of the procurement is such that a full competitive tendering would be likely to be beneficial to the Council by reducing cost (by more than the cost of tendering) or risk.</p>
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**72. REVIEW OF FRAUD INVESTIGATION ACTIVITY**

The Panel received a report by the Corporate Fraud Manager (a copy of which is appended in the Minute Book) summarising the work undertaken by the Corporate Fraud Team during 2013/14 including the type and number of investigations undertaken, the value of fraud identified and the cost of undertaking the work.

Members were reminded of the Department for Work and Pensions’ (DWP) intention to launch a Single Fraud Investigation Service (SFIS) in March 2015, which would take over all welfare fraud investigations. A member questioned whether the Council would be looking to retain any of the fraud functions. The Corporate Fraud Manager explained that the Housing Benefit Fraud Function would transfer to the SFIS on 1<sup>st</sup> March 2015 and that issues surrounding the future of the team and the link with the DWP were being investigated.

Having been advised that the Team had won an award from the National Fraud Authority in the innovation category of its Fighting Fraud Awards 2013 and in congratulating the Team for its work in uncovering fraudulent activity, the Panel

RESOLVED

that the work undertaken by the Fraud Team against its targets for performance in 2013/14 be noted.

**73. REVIEW OF THE INTERNAL AUDIT SERVICE**

*(Mr Richard Gaughran, Internal Audit Manager with the Welland Internal Audit Consortium, was in attendance for consideration of this item)*

Consideration was given to a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) detailing the outcome of a review of the effectiveness of the Internal Audit Service as required by the Accounts and Audit Regulations 2011.

Members were advised that the self-assessment review had been conducted by the Mr Richard Gaughran against “proper practice” provisions of the Public Sector Internal Audit Standards (PSIAS) and



the Local Government Application Note produced by CIPFA.

Members noted that the review had concluded that internal audit was effective in delivering credible assurance to stakeholders, improved management of risks, improved corporate governance arrangements and support in the achievement of corporate objectives.

In discussing the opportunities to further enhance the effectiveness of the service identified by Mr Gaughran, attention was drawn to a suggestion that the Panel should hold to account Officers who fail to implement, fully on a timely basis, agreed audit recommendations. In that respect, Members have expressed their disappointment that this remains an issue for the authority and agreed that there was a need to question Officers. However, having referred to previous assurances that a culture of compliance was being promoted throughout the authority and any failures were reported to the Chief Officers' Management Team, Members felt that the Managing Director should also be made aware of their concerns. Whereupon, it was

#### RESOLVED

- (a) that the outcome of the review process into the effectiveness of the Internal Audit Service and the findings of the report prepared by Mr Gaughran's which shows that the Internal Audit is delivering an effective internal audit service to the Council be noted;
- (b) that where agreed audit actions have not been implemented on time, the Panel be authorised to require the relevant Assistant Director to attend a meeting of the Panel to explain the reasons for their non-introduction;
- (c) that the Internal Audit & Risk Manager be requested to liaise with the Chairman of the Panel regarding changes to the internal audit plan; and
- (d) that the Managing Director be invited to the next meeting of the Panel to respond to Member's concerns.

#### **74. INTERNAL AUDIT SERVICE: ANNUAL REPORT**

By way of a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) the Panel was advised of the requirement under the Public Sector Internal Audit Standards to provide an annual opinion on the overall adequacy and effectiveness of the Council's internal control and governance processes.

The Internal Audit Manager outlined his view that the Council's internal control environment and systems of internal control as at 31<sup>st</sup> March 2014 provided limited assurance over key business processes and adequate assurance over financial systems. In that respect, Members have expressed their disappointment that little progress had been made in project management and establishment control and that nine "limited" and one "little" assurance audit reports have been issued. In response to which, the Internal Audit Manager reported that the financial system controls were in place and that Chief

Officers' Management Team had started to review audit reports and intend to address the low level of audit actions being introduced on time, by calling to account service managers who are not achieving the target set. In seeking assurances that progress was being made in this area, the Panel agreed that their concerns could be addressed by the Managing Director at their next meeting. Whereupon, it was

RESOLVED

that the content of the report be noted and the opinion of the Internal Audit Manager taken into account when considering the Annual Governance Statement.

**75. PROGRESS ON ISSUES ARISING FROM THE 2012/13 ANNUAL GOVERNANCE STATEMENT**

With the aid of a report by the Internal Audit & Risk Manager (a copy of which is appended in the Minute Book) the Panel were apprised of progress made to date in respect of six areas identified in the 2012/13 Annual Governance Statement as requiring improvement.

RESOLVED

that progress made to date with regard to introducing the key improvement areas arising from the 2012/13 Annual Governance Statement be noted.

**76. GRANT CERTIFICATION 2012/13**

The Panel received and noted a report by the Accountancy Manager (a copy of which is appended in the Minute Book) detailing the certification of specific grants received by the Council in 2012/13. 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. Members were reminded that previous correspondence to the Department of Communities and Local Government and Department of Works and Pensions on this issue had failed to persuade them to adjust the rules. In reiterating that the auditing rules for sampling were much too rigid, the Panel

RESOLVED

- (a) that the grant specification report for 2012/13 be received and noted; and
- (b) that the Accountancy Manager be requested to write to the Local Government Association 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 material.

## **77. EMPLOYEE HANDBOOK**

Further to Minute No 13/63 and with the assistance of a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) the Cabinet has given further consideration to the content of the Employee Handbook.

Members were reminded that the handbook had been considered by full Council at their meeting on 30<sup>th</sup> April 2014, where it was agreed to refer the document back to the Panel and Employment Panel for further review and comment. Having considered a number of changes being proposed for the document and the process to be followed to finalise the changes, the Panel

RESOLVED

- (a) that the changes to the handbook as outlined in the appendix to the report now submitted be noted; and
- (b) that following the receipt of comments from the Employment Panel on the 25<sup>th</sup> June 2014 the final version of the handbook be reviewed by the Chairman and Vice-Chairman of the Corporate Governance Panel prior to the documents resubmission for adoption to full Council on 30<sup>th</sup> July 2014.

## **78. MONITORING THE EFFECTIVENESS OF THE CONTROL ENVIRONMENT: VALUE FOR MONEY**

Consideration was given to a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) summarising the Council's approach to ensuring that value for money (VfM) is being obtained.

Members were advised that value for money can be evidenced in a number of ways including external audit value for money conclusion, medium term financial planning, budgetary control and monitoring. Particular attention was drawn to how VfM is reported to the Panel. Although the Council does not have a specific framework/strategy that outlines how this will be achieved, Members were reminded that a formal VfM conclusion is reported to the Panel each year by the External Auditors. Having considered how the involvement of the Panel in measuring VfM could be improved, Members

RESOLVED

that the Chief Financial Officer be requested to provide an annual report to the Panel to evidence the arrangements in place to support the achievement of VfM.

## **79. WORK AND TRAINING PROGRAMME**

The Panel considered a report by the Internal Audit & Risk Manager (a copy of which is appended in the Minute Book) regarding suggestions for training for Members based on the anticipated work programme for the Panel for 2014/15. In so doing, it was agreed that a formal training day for Panel Members be arranged and that Audit

Committee Members from other Cambridgeshire Authorities be invited to attend.

Chairman

**Public**  
**Key Decision – No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Subject Matter:** Internal Audit & Risk Manager Job Description  
**Meeting/Date:** Corporate Governance Panel – 23 July 2014  
**Executive Portfolio:** Resources: Councillor J A Gray  
**Report by:** Managing Director  
**Ward(s) affected:** All

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### **Executive Summary:**

The adoption of the Public Sector Internal Audit Standards (PSIAS) in April 2013 and the Internal Audit Charter, introduced a number of changes in the relationship between Internal Audit and the Panel.

One of the changes was a requirement that the job description and grade of the post of the Internal Audit & Risk Manager be reported to the Panel for information.

The job evaluation process was concluded in May 2014. The Internal Audit & Risk Manager post was evaluated at Grade I. The job description for the post is attached at Appendix 1.

### **Financial Implications:**

The salary for the post including on-costs is built into the current budget.

### **Recommendation(s):**

It is recommended that the Panel note the report.

### **Contact Officer**

Clive Mason, Head of Resources  
Tel No. 01480 388157

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**JOB DESCRIPTION**

DEPARTMENT	<b>Resources</b>
SECTION	<b>Internal Audit</b>
JOB TITLE	<b>Internal Audit &amp; Risk Manager</b>
POST NUMBER	<b>CT011</b>
SALARY GRADE	<b>Grade I</b>
RESPONSIBLE TO	<b>Head of Resources</b>
RESPONSIBLE FOR	<b>2.5 members of staff + external computer audit service</b>
PURPOSE OF POST	<b>To deliver, as efficiently and effectively as possible within the budget provided for the purpose, internal audit, risk management and insurance services to the Council and its managers.</b>
MAIN DUTIES	
1	To be accountable for ensuring that services are delivered in an efficient and timely fashion. This will include: <ul style="list-style-type: none"> <li>• Creation of an audit plan</li> <li>• Delivery of the audit plan</li> <li>• Monitoring of the delivery of agreed audit actions</li> <li>• Provision and maintenance of the risk register</li> <li>• Development of the Council's risk management processes</li> <li>• Provision of an insurance service</li> <li>• Provision of advice and assistance to managers</li> <li>• Reporting to the Corporate Governance Panel on issues relating to the above</li> </ul>
2	To be responsible for contributing to: <ul style="list-style-type: none"> <li>• The overall management of the Resources Division</li> <li>• The system of internal control and associated governance processes including the annual governance statement</li> </ul>
3	To be accountable for the management of the Internal Audit, Risk and Insurance Service which includes: <ul style="list-style-type: none"> <li>• Agreeing and monitoring the achievement of performance targets</li> <li>• Introducing developments and improvements that take account of "best practice" and increase the efficiency and effectiveness of staff and managers</li> <li>• Motivating and appraising staff</li> <li>• Training and development of staff</li> <li>• Safeguarding the health and safety of staff</li> <li>• Ensuring that staff are aware of and abide by the policies of the Authority that relate to them</li> <li>• Representing the Division/Directorate at nominated working Groups and outside bodies</li> </ul>
4	To be accountable for carrying out the responsibilities of an employee which include: <ul style="list-style-type: none"> <li>• Ensuring the health and safety of themselves and other employees and visitors to the Council's premises</li> <li>• Complying with all policies of the Council that apply to its employees</li> </ul>
5	To undertake such other duties as are appropriate to the nature and grading of the post as are required from time to time.

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**CORPORATE GOVERNANCE PANEL PROGRESS REPORT**

<b>Panel Date</b>	<b>Decision</b>	<b>Response</b>	<b>Date for Action</b>	<b>Officer Responsible</b>
<b>29/1/14</b>	<p><b><u>Internal Audit Interim Progress Report</u></b></p> <p>Internal Audit Manager to review the service delivery targets.</p> <p>Request that future reports include comparisons from previous years.</p>	Details of the outcome of the review will be reported to the Panel in the Internal Audit half year progress report.	November 2014 b	Internal Audit & Risk Manager
<b>14/05/14</b>	<p><b><u>Employee Handbook</u></b></p> <p>Following the receipt of comments from the Employment Panel, the final versions of the handbook to be reviewed by the Chairman and Vice Chairman of the Corporate Governance Panel prior to the documents resubmission for adoption to full Council on 30<sup>th</sup> July 2014.</p>	Employment Panel considered the handbook on 1 July. One, non-contentious change requested and made. Chairman and Vice-Chairman approved.	Full Council meeting – 30 July 2014.	Internal Audit & Risk Manager
<b>14/05/14</b>	<p><b><u>Monitoring the Effectiveness of the Control Environment: Value for Money</u></b></p> <p>Request for an annual report on the arrangements in place to support the achievement of value for money.</p>	Report to be prepared for September meeting.	25 September 2014	Head of Resources
<b>14/05/14</b>	<p><b><u>Work and Training Programme</u></b></p> <p>A formal training session to be arranged and invitations extended to Committee Members from other Cambridgeshire Authorities.</p>	Training has been arranged	11 September 2014	Internal Audit & Risk Manager
<b>14/05/14</b>	<p><b><u>Review of the Councils Constitution</u></b></p> <p>Recommendations to Council</p>	Approved by Council at its meeting on 4 <sup>th</sup> June 2014.	4 June 2014	Senior Democratic Services Officer

**CORPORATE GOVERNANCE PANEL PROGRESS REPORT**

<b>Panel Date</b>	<b>Decision</b>	<b>Response</b>	<b>Date for Action</b>	<b>Officer Responsible</b>
<b>14/05/14</b>	<p><b><u>Review of the Internal Audit Service</u></b></p> <p>Request that where agreed audit actions have not been implemented on time, the relevant Assistant Director attends a meeting of the Corporate Governance Panel to explain the reasons for their non-introduction.</p>		On-going	Internal Audit & Risk Manager
<b>14/05/14</b>	<p><b><u>Grant Certification 2012/13</u></b></p> <p>Letter to be sent to the Local Government Associations outlining 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 errors in the previous round of sampling are material.</p>	Letter sent 10 <sup>th</sup> June 2014	May/June 2014	Head of Resources.

# Agenda Item 6

Public  
Key Decision - No

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** OFFICE OF THE SURVEILLANCE COMMISSIONER-  
RIPA INSPECTION 4TH JUNE 2014

**Meeting/Date:** Corporate Governance 23<sup>rd</sup> July 2014

**Executive Portfolio:** Barry Chapman, Executive Councillor for Customer  
Services

**Report by:** Corporate Fraud Manager (NDJ)

**Ward(s) affected:** All

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### Summary:

As a public body HDC is required to comply with the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA). Compliance includes having in place appropriate policies/procedures and being subject to tri-annual inspections by the Office of Surveillance Commissioner (OSC) and 18 monthly inspections by the Interception of Communications Commissioners Office (IOCCO).

The OSC inspection took place at HDC on 4.6.2014, the inspector being Sir David Clarke. As part of the pre-inspection process Sir David had already reviewed the Councils policies and procedures and his inspection on the day was primarily a meeting with NDJ and CM and a review of the Councils use of RIPA since the last inspection in 2011.

A copy of Sir Davids report is attached and is generally favourable with some suggested minor amendments to the existing policy. These minor amendments can all be made by Colin Meadowcroft without need for member approval as the Councils *Scheme of Delegation* permits this.

Sir David made only two recommendations, the first that the policy be amended in line with the content of his report and secondly that once the new management team at HDC is in place suitable officers be identified to become 'Authorising Officers', to replace those that have left, and that training be reviewed across the services affected by RIPA.

HDC will need to provide a brief response to the OSC report confirming what actions we are taking to meet these recommendations.

## **LIST OF APPENDICES INCLUDED**

Appendix 1 - *OSC report 2014*

Appendix 2 – HDC RIPA (*Surveillance*) Policy

## **BACKGROUND INFORMATION**

Regulation of Investigatory Powers Act 2000

OSC RIPA Code of Practice (*Home Office*)

## **CONTACT OFFICER**

Nick Jennings- Corporate Fraud Manager

Tel No. 01480 388480.

[Nick.jenings@huntingdonshire.gov.uk](mailto:Nick.jenings@huntingdonshire.gov.uk)



Chief  
Surveillance  
Commissioner

OFFICIAL - SENSITIVE

18<sup>th</sup> June 2014

*Dear Mr. Lancaster,*

**Covert Surveillance**

On 4<sup>th</sup> June 2014, an Assistant Surveillance Commissioner, Sir David Clarke, visited your Council on my behalf to review your management of covert activities. I am grateful to you for the facilities afforded for the inspection.

I enclose a copy of Sir David's report which I endorse. Your Council is in the process of major structural changes with experienced personnel departing. But Mr Jennings, your RIPA Central Monitoring Officer, will provide valuable continuity.

The recommendations are that your Policy be further revised as indicated in paragraph 17 of the report and that the incoming SRO and Mr Jennings conduct a training needs analysis to ensure that appropriate training is provided for all staff likely to be involved with RIPA.

One of the main functions of review is to enable public authorities to improve their understanding and conduct of covert activities. I hope your Council finds this process constructive. Please let this office know if it can help at any time.

*Yours sincerely,  
Christopher Rose*

Mrs Joanne Lancaster  
Managing Director  
Huntingdonshire District Council  
Pathfinder House  
St Mary's Street  
Huntingdon  
Cambridgeshire PE29 3TN

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1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100.

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Office of Surveillance  
Commissioners

**OFFICE OF SURVEILLANCE COMMISSIONERS**

**INSPECTION REPORT**

**Huntingdonshire District Council**

**4<sup>th</sup> June 2014**

**Assistant Surveillance Commissioner:  
Sir David Clarke.**





## OFFICIAL- SENSITIVE

### DISCLAIMER

This report contains the observations and recommendations identified by an individual surveillance inspector, or team of surveillance inspectors, during an inspection of the specified public authority conducted on behalf of the Chief Surveillance Commissioner.

The inspection was limited by time and could only sample a small proportion of covert activity in order to make a subjective assessment of compliance. Failure to raise issues in this report should not automatically be construed as endorsement of the unreported practices.

The advice and guidance provided by the inspector(s) during the inspection could only reflect the inspectors' subjective opinion and does not constitute an endorsed judicial interpretation of the legislation. Fundamental changes to practices or procedures should not be implemented unless and until the recommendations in this report are endorsed by the Chief Surveillance Commissioner.

The report is sent only to the recipient of the Chief Surveillance Commissioner's letter (normally the Chief Officer of the authority inspected). Copies of the report, or extracts of it, may be distributed at the recipient's discretion but the version received under the covering letter should remain intact as the master version.

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OFFICIAL – SENSITIVE





Office of Surveillance  
Commissioners

Chief Surveillance Commissioner  
Office of Surveillance Commissioners,  
PO Box 29105,  
London,  
SW1V 1ZU

6<sup>th</sup> June 2014

**HUNTINGDONSHIRE DISTRICT COUNCIL**

**INSPECTION REPORT**

Inspection date 4<sup>th</sup> June 2014

Inspector Sir David Clarke  
Assistant Surveillance Commissioner

**Introduction**

1. Huntingdonshire District Council (HDC) serves a population of some 164,000 in Huntingdon, St Ives, St Neots, Ramsey and the surrounding villages and countryside. It lies in Cambridgeshire, but its area is approximately coterminous with that of the former Huntingdonshire County Council.
2. The last OSC inspection of HDC was conducted by Kevin Davis, Surveillance Inspector, on 24<sup>th</sup> June 2011. In his report the Inspector gave HDC a substantially clean bill of health and made a single formal recommendation.
3. The senior management structure of HDC is undergoing extensive revision. At the time of the last report in 2011 the Chief Executive was supported by two Managing Directors and ten Heads of Service. The post of Chief Executive has been discontinued. The present structure comprises the Managing Director (Head of Paid Service), two Assistant Directors and four Heads of Service. A further restructure is now in progress. Five of the six individuals below the rank of Managing Director have either departed or are to depart shortly. New appointments are being made, to revised grades. The implications of this for HDC's RIPA structure are considered below.
4. The Managing Director is Mrs Joanne Lancaster, whose address is Pathfinder House, St Mary's Street, Huntingdon, Cambridgeshire PE29 3TN. Mrs Lancaster is a former Assistant Chief Executive of Wolverhampton City Council.

5. HDC participates in the Cambridgeshire Tenancy Fraud Forum, a loose partnership of three local authorities and their arms-length housing providers to share information and promote good practice in tackling housing benefit fraud. Discussions are also in progress, though at an early stage, with neighbouring local authorities for the sharing of legal and democratic services.
6. HDC has made one authorisation of directed surveillance since the last inspection. It was made in April 2012. Thus, none has been made since the legislative changes of November 2012.

### **Inspection**

7. I carried out the inspection on 4<sup>th</sup> June 2014 at Pathfinder House. I met the following council officers:
  - Colin Meadowcroft, a solicitor, Head of Legal and Democratic Services, HDC's Monitoring Officer and RIPA Senior Responsible Officer (SRO);
  - Nick Jennings, Corporate Fraud Manager and RIPA Central Monitoring Officer.
8. The inspection took the form of a discussion of HDC's RIPA management, policy and procedures, the designated authorising officers (AOs), and training, all against the background of the extensive restructuring which has taken place and is continuing. With only one RIPA authorisation to be examined, the focus of my inspection was to ensure that the HDC's RIPA structure is still in good health, that RIPA awareness is maintained and that the necessary structure and procedures are in place if and when the need arises.
9. I am grateful to both officers for their welcome and their friendly engagement with my inspection, and for providing my transport back to the railway station after my visit. Mr Jennings, who made the arrangements and provided material in advance, is a veteran of previous OSC inspections.

### **Progress against recommendation**

10. Mr Davis recommended that the Central Record should be expanded to include columns for use of the urgency provisions, confidential information and self-authorisation. The format of the Central record has not in fact been altered, there having been so little RIPA usage since the last inspection, but following discussion I shall not repeat this recommendation. The urgent oral authorisation procedure is no longer available to local authorities<sup>1</sup>. Because the Authorising Officers (AOs) are or will be senior HDC officials, there is no risk of self-authorisation taking place. As to confidential information, none of the areas of activity in which directed surveillance might be authorised is likely to elicit such information. The record is maintained manually by Mr Jennings, who is aware of the special requirements relating to self-authorisation and confidential information, and I consider that it therefore constitutes a sufficient

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<sup>1</sup> Protection of Freedoms Act 2012, Schedule 9, Part 3, paragraph 9(2), amending RIPA s.43 by adding subsection (1A)

central record for HDC's purposes. I am therefore content to discharge the recommendation.

### RIPA Structure

11. Since the last inspection Mr Meadowcroft has assumed the role of SRO following the departure of Mr Wayland Smalley. He is himself departing shortly, and it is likely that his successor as Head of Legal Services, albeit perhaps at a different level in the hierarchy, will be designated to fill the role. If not already trained in RIPA, the new SRO will need such training at the outset.
12. At the time of the last OSC inspection in 2011 there were 15 AOs. Following discussion with their external training adviser this number was reduced to seven, but these include the SRO, who in fact made the one authorisation in the period under review. It would be preferable in future to avoid this duplication of roles; an important part of the SRO's function is to provide oversight of the activities of AOs.
13. A number of the present AOs are amongst those who are leaving or have already left. At an early stage, the new SRO will, with the concurrence of the Managing Director, need to designate new AOs and ensure that they are suitably trained for this role. Two or perhaps three should suffice.
14. Mr Jennings has acted for some years as RIPA Central Monitoring Officer and keeper of the central record. He is highly knowledgeable and competent in RIPA matters. I expressed my personal preference for the title of RIPA Coordinator, which HDC may decide to adopt but I do not make this as a formal recommendation.
15. HDC's RIPA Policy and Procedure document (the *Policy*) has been updated in the light of the 2012 legislative changes. It is a clear and readable document, most of which is accessible to its non-lawyer readers.
16. Unlike the policy documents of many local authorities, the *Policy* contains good guidance for recognising the circumstances in which a member of the public giving information to the council, albeit not asked or commissioned to obtain it, may in reality be a covert human information source (CHIS) to whom a duty of care is owed. It also contains a useful section on non-RIPA surveillance, which may in exceptional circumstances become necessary and proportionate in cases which do not pass the new minimum thresholds for RIPA authorisation of directed surveillance. Mr Jennings explained that these passages were incorporated at the suggestion of the external training provider, Paul Fowler.
17. I made a number of suggestions for further improvement of the *Policy*, which were carefully noted. Most of these revisions are textual and will be made at once without needing a formal recommendation. One important omission, however, is a clear statement of the bullet-point principles of proportionality, to be expressly addressed by applicants and AOs; these are contained in

paragraph 3.6 of the Covert Surveillance etc Code of Practice and paragraph 107 of OSC Procedures & Guidance.

**See recommendation**

18. We briefly discussed the Home Office Guidance on obtaining judicial approval, particularly paragraph 43 which suggests that the investigator should attend to make the application and deal with the magistrate's questions. I explained your view that since it will be the AO's decision which is under review, logically the AO should attend. This will generally be impracticable in the case of HDC, the AOs being senior officers of the council. There is therefore all the more need for the AO to set out his authorisation and reasoning in full detail when completing the form. The matter will no doubt be considered on a case-by-case basis, when it arises.
19. The RIPA Liaison Group, noted with approval in the last two OSC reports, has not met recently but is to be revived when the present restructure is completed and new officers in place. It will play an important in maintaining the necessary RIPA awareness in a council which makes little use of its RIPA powers.

**Training**

20. Corporate RIPA training has previously been delivered by Paul Fowler (PHF Training), who has also advised on the *Policy* as described above. Separate training for AOs and Applicants took place in 2012. Fresh training to be arranged when the restructure is completed.

**Examination of Central Record and authorisation**

21. The Central Record constitutes a sufficient record; see paragraph 10 above.
22. The one directed surveillance authorisation was made in connection with excessive loud noise from a public house late into the night at weekends. Noise measuring equipment was to be covertly placed within the public house, because of a belief that there was not only a nuisance to neighbours but a risk to the health and safety of staff and customers within the premises.
23. The applicant and AO articulated the necessity and proportionality of this action fully and thoughtfully. The equipment was to be used on two nights only. Correctly, however, the expiry date was set at three months but a very early review date was set to take place the following week. One review was held and the authorisation continued because there was no excessive noise on that first weekend, but on second review the authorisation was formally cancelled.<sup>2</sup>

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<sup>2</sup> The applicant did not need to use a review form, since he was not asking for the authorisation to continue; but this is not a compliance issue since the AO not only endorsed the review form but also completed a formal cancellation.

## CCTV

24. I did not need to visit the CCTV control room on this occasion. The protocol with Cambridgeshire Constabulary, and the RIPA awareness of the CCTV operators, remain in good order. The *Policy* document itself emphasises the requirement for a directed surveillance authorisation to be in place before the overt CCTV system may be used covertly in a targeted operation.

## Conclusions

25. I am happy to endorse the favourable conclusions of the Inspector who reported in 2011. Though HDC is in the process of major structural changes, with experienced personnel departing, there is good reason to hope for a smooth transition. Strong reliance will continued to be placed on Mr Jennings who will provide valuable continuity as RIPA Coordinator.

26. I therefore make the following

## Recommendations

- I. *That HDC's RIPA Policy be further revised in accordance with this report;*
- II. *That the incoming SRO, with the assistance of the RIPA Coordinator, conduct a training needs analysis so as to ensure that RIPA training is arranged for all AOs (including the Head of Paid Service) and to all investigatory or enforcement staff who are potential RIPA applicants, and that such training then be provided.*

**David Clarke**  
**Assistant Surveillance Commissioner**





**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

|                             |   |
|-----------------------------|---|
| <b>Title:</b>               | Preparing the Annual Governance Statement |
| <b>Meeting/Date:</b>        | Corporate Governance Panel – 23 July 2014 |
| <b>Executive Portfolio:</b> | Resources: Councillor J A Gray            |
| <b>Report by:</b>           | Internal Audit & Risk Manager             |
| <b>Ward(s) affected:</b>    | All Wards                                 |

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### **Executive Summary**

An informal meeting of the Panel was held on 27 June at which the Council's current position against the requirements and supporting principles of the Code of Corporate Governance were reviewed and discussed.

The meeting identified seven areas where it was felt that the Council was not sufficiently complying or in conformance with the Code. Of these, it considered the following items were significant enough to be considered for inclusion in the annual governance statement.

- The themes and aims of the Corporate Plan remained absent from service delivery plans or performance measures or employees performance targets. (This item was included as a significant issue in last year's AGS)
- Whilst a partnership framework has been adopted, there did not appear to be any regular reporting to Members on benefits/outcomes or the contribution partnerships made to the Corporate Plan. It was noted that the Corporate Plan contained a key action to review partnership commitments and the value for money obtained.
- Whilst the Corporate Plan 2014-16 contains a vision statement and strategic themes and outcomes, these do not appear to have been 'communicated...with members, employees, the community or partners' as required by the Code. (This item was also considered to be an area of non-conformance in 2013).
- Continuing compliance with the Code of Procurement.

Whilst not an issue for the annual governance statement, it was felt appropriate (with the formation of the strategic partnership with South Cambridgeshire District Council and the requirements within the Code that 'effective mechanisms exist to monitor service delivery') to reiterate the

previously agreed position, that the Panel should be informed of shared service governance arrangements. This will allow them to consider the procedures that had been put in place for obtaining the necessary assurances required to support any future statements that may be included in the annual governance statement.

### **Financial & Legal implications**

There are no financial or legal implications arising from this report.

### **Recommendation:**

It is recommended that the Panel:

Consider whether the following governance issues should be recorded as being 'significant' in the annual governance statement

- a. Develop the themes and aims in the Corporate Plan through service plans and performance measures
- b. Partnership working: benefits/outcomes and the contribution partnerships made to the Corporate Plan
- c. Publicise the vision statement and strategic themes and outcomes
- d. Continuing compliance with the Code of Procurement.

## **1. Background Information**

- 1.1 To assist with the preparation of the annual governance statement, an informal meeting of the Panel was held on the 27 June to review the evidence and documentation that supports compliance with the Code of Corporate Governance principles.
- 1.2 The meeting was attended by Councillors Baker, Butler, Harlock and West. Also in attendance were the Head of Resources and the Internal Audit & Risk Manager.

## **2. Outcome of the Review**

- 2.1 When considering the current position against the Code, the following issues were identified:
  - a. Whilst the Corporate Plan had been adopted in April 2014, the themes and aims it contained remained absent from service delivery plans, performance measures or employees performance targets. This item was included as a significant issue in the 2012/13 AGS.
  - b. Whilst a partnership framework has been adopted the Panel were concerned that there did not appear to be any regular reporting to Members on partnership benefits/outcomes. The Panel also noted that the corporate plan had a key action to review partnership commitments/value for money.
  - c. Following the appointment of the Managing Director on 2 July 2013, whether the 'Protocol for the relationship between the Executive Leader of the Council and the Head of Paid Service' had been reviewed and remained appropriate.
  - d. There were a number of references to the Employees' Code of Conduct which would need to be replaced by the Employee Handbook (if adopted by the Council on 30 July). The Internal Audit & Risk Manager confirmed that the Employee Handbook would refer to all of the employee related issues that were contained in the Code of Corporate Governance.
  - e. Whilst the Corporate Plan 2014-16 contains a vision statement and strategic themes and outcomes, these do not appear to have been 'communicated...with members, employees, the community or partners' as required by the Code.
  - f. Despite customer surveys having been carried out in a number of service areas, concerns were expressed that (as per the July 2013 review) two of the largest customer facing services – planning and household waste collection – had not undertaken any surveys. How was the quality of service measured in these two areas?

- g. With the formation of a strategic partnership with South Cambridgeshire District Council and the requirements within the Code that 'effective mechanisms exist to monitor service delivery' it remained the group's opinion that the Corporate Governance Panel should be informed of a shared services governance arrangements and the procedures for obtaining assurance required to support statements included in the annual governance statement.
- 2.2 Following further discussion of the matters listed above, it was felt that items a, b and g were significant enough to be included in the annual governance statement.

### **3. Other Significant issues identified throughout the year**

- 3.1 The group considered other issues that the Panel had discussed during the year and felt that the following item was significant enough to be included in the annual governance statement.
  - a. Continuing compliance with the Code of Procurement.

### **4. Annual Governance Statement**

- 4.1 Drafting of the annual governance statement will begin, once the Panel have considered this report and decided what, if any, significant issues they would wish to see included.
- 4.2 In addition to any concerns expressed by the Panel, the statement will also be influenced by the annual opinion (limited assurance) of the Internal Audit & Risk Manager.
- 4.3 It is proposed that the draft statement will be circulated to the Panel and the external auditor by the 18 August followed shortly afterwards by an informal meeting of the Panel at which the opportunity will be available to review and comment upon the statement. This will allow for changes to be made to statement prior to its submission to the September Panel meeting.

### **Access to Information Act 1985** Code of Corporate Governance

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

**Public  
Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title:** Internal Audit Service: Internal Annual Plan

**Meeting/Date:** Corporate Governance Panel – 23 July 2014

**Executive Portfolio:** Resources: Councillor J A Gray

**Report by:** Internal Audit & Risk Manager

**Ward(s) affected:** All Wards

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### **Executive Summary**

As required by the Public Sector Internal Audit Standards, the Internal Audit & Risk Manager has to prepare an annual audit plan for Panel review and approval. The plan has to provide adequate coverage and scope across the Council's systems so as to allow a written opinion on the overall adequacy and effectiveness of the Council's control environment to be prepared.

The plan for the period April 2014 to March 2015 is attached.

Internal audit resources are sufficient to deliver the annual audit plan. Audit plan coverage is also considered sufficient so as to allow the Internal Audit & Risk Manager to prepare an annual opinion on the Council's control environment.

Whilst changes to the audit plan have always been discussed with the Head of Resources, arising from the peer review conducted earlier in the year, discussions will also be held with the Chairman of the Panel. Significant changes will be reported to the Panel for information.

### **Financial & Legal implications**

There are no financial or legal implications arising from this report

### **Recommendation:**

It is recommended that the Panel approve the Internal Audit Plan for 2014/15.

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## **1. Background Information**

- 1.1 In line with recognised proper practice as contained in the Public Sector Internal Audit Standards (PSIAS), this report outlines key features of the internal audit planning process for the period commencing April 2014.
- 1.2 The PSIAS requires the Internal Audit Manager to prepare:
- at least annually, risk-based plans to determine internal audit priorities; and
  - provide adequate coverage across the Council's systems so as to allow them to provide a written opinion on the overall adequacy and effectiveness of the Council's control environment.
- 1.3 Whilst the audit plan would normally be prepared and presented to the Panel prior to the start of the audit plan year, due to the likelihood of significant changes occurring within the Council in the first few months of the financial year, the Internal Audit & Risk Manager took the decision not to prepare a full years plan until more details were forthcoming about the senior management re-structure, the corporate plan and associated service level plans and priorities and the potential for out-sourcing the IT and Legal services. Panel were informed of this approach via email on the 27 February.
- 1.4 Whilst the senior management restructure has been completed, the new management team will not be in place for a number of weeks. Similarly, Council have approved the Corporate Plan but the detailed key actions that will underpin the strategic themes and outcomes were released only a few days before this report was prepared. Best practice suggests that the audit plan should be consistent with the Council's priorities and goals. The plan being presented will need to be reviewed against the strategic themes and outcomes, and it is likely that some changes will be made. It is not considered appropriate to further delay submission of the formal audit plan for the 14/15 financial year to allow this work to be carried out.

## **2. Strategic and Annual Planning**

- 2.1 The Internal Audit & Risk Manager maintains a four year strategic audit plan, listing all the risk and system areas that are considered likely to affect the Council's internal control environment. The strategic plan shows the relative importance of each risk (as identified by the risk register) and system area. To allow for more effective planning, a number of audit areas have been combined so that audits can address common risk themes across services, rather than be conducted on a service by service basis

- 2.2 Discussions have been held with a number of senior managers to ensure that the strategic plan is reflect of the issues within the Council and to allow new areas to be identified. It is intended to hold similar discussions with the new senior management team once they are all in post. Panel Members were also given the opportunity to contribute to the planning process.

The 2014/15 strategic plan (excluding specialist computer audit reviews) lists 156 separate areas.

The following areas were added to the strategic plan this year:

Shared services : IT & Legal Services

Chart of Accounts

Making Assets Count

Fulfilling statutory duties of S151 & Monitoring Officer

One area was deleted from the strategic plan: the review of the final accounts (arising from changes to the International Financial Reporting Standards) preparation process.

- 2.3 To prepare the annual audit plan, the strategic plan is reviewed and audits placed in priority order based on risk, materiality and previous audit review findings. An estimate of the days required to undertake each review is then made based upon its proposed scope. The highest priority schemes which can be delivered within the resources available are then included in the plan. The Chief Officers' Management Team are then consulted prior to the plans submission to the Panel.

### 3. RESOURCING THE AUDIT PLAN

#### Internal Audit Staffing

- 3.1 1,800 days will be available to deliver the necessary assurances and provision of help and advice across the areas listed in the four year strategic plan commencing April 2014.

| 4 Year Strategic Plan                   |                              | Days         | Internal Audit | Mazars     |
|---|------------------------------|--------------|----------------|------------|
| <b>Internal Audit Service resources</b> |                              | <b>2,920</b> |                |            |
| <b>Less</b>                             | Leave, sick, elections etc   | 428          |                |            |
|   | Staff development & training | 68           |                |            |
|   | Management                   | 284          |                |            |
|   | Risk Management & Insurance  | 200          |                |            |
|   | Support CGP                  | 40           |                |            |
|   | Contingency                  | 100          |                |            |
| <b>Available audit resources</b>        |                              | <b>1,800</b> |                |            |
| Deployed as follows:                    |                              |              |                |            |
|   | 2014/15                      | 453          | 369            | 84         |
|   | 2015/16                      | 449          | 375            | 74         |
|   | 2016/17                      | 449          | 375            | 74         |
|   | 2017/18                      | 449          | 375            | 74         |
| <b>Total resources required</b>         |                              | <b>1,800</b> | <b>1,494</b>   | <b>306</b> |



The total estimated days required to deliver the 4 year strategic plan is 1,825. At 25 days, the difference between the estimated number of days required and those available is not considered sufficient to warrant a request for additional resources.

- 3.2 Over the last couple of years, quarterly auditing of agreed key controls within the main financial systems has been undertaken. This has been successful. 'Continuous auditing' software is being evaluated with a view to further reducing time spent by internal audit in these areas, whilst retaining at least the same level of assurance over these key systems.

#### **4. INTERNAL AUDIT PLAN**

- 4.1 The audit plan needs to be dynamic to reflect changing circumstances (risks, operations, programs, systems and controls) and it is anticipated that there will remain the need to advance, defer, add or remove audits throughout the year.
- 4.2 The PSIAS do not stipulate the audit plan period, only the frequency by which it should be prepared. It is therefore proposed that the trial of refreshing the audit plan quarterly to allow changing circumstances to be taken into account should continue. The audit plan will be prepared on a 3+9 basis – that is a detailed three month plan, supported by a rolling nine month fluid plan.
- 4.3 The audit plan contains details of the computer audits that are due to be undertaken during the year. Due to the delayed decision on the IT shared service, the computer plan assumes that the IT service will remain in-house during the year. If that changes, then the computer audit plan will be re-evaluated. Care has been taken when scoping the computer audit plan to ensure that the assurance provided will be of benefit to a shared IT service.
- 4.4 The internal audit plan for 2014/15 is attached. It lists all the areas that, without any change in circumstances, require review during the year. Panel are recommended to approve this plan in outline, but allow the Internal Audit & Risk Manager to amend as required, following consultation with the Head of Resources and Chairman of the Panel. Significant changes to the plan will be reported to the Panel.
- 4.5 The internal audit plan currently contains one review (Chart of Accounts) that could be classified as a 'consultancy' review within the terms of the Internal Audit Charter. If further requests are received, then the agreement of the Head of Resources and Chairman of the Panel will be obtained prior to time being committed to the review. Panel will also be informed of these reviews.

## **5. OTHER SOURCES OF ASSURANCE**

- 5.1 The PSIAS require the audit plan planning process to taking into account what other sources of assurance will be available during the year.
- 5.2 Managers have been requested to provide details of any planned reviews from which assurance could be obtained so as to avoid/minimise duplication of effort, within the internal audit plan. Whilst there are external reviews planned within service areas (e.g. Customer Services, website accessibility), with the exception of the statutory external audit of the accounts and the review by the Cabinet Office of compliance with the Public Sector Network, no external assurances have been identified for 2014/15.

### **ACCESS TO INFORMATION ACT 1985**

Strategic Audit Plan  
The Council's Risk Register

#### **Contact Officer:**

David Harwood, Internal Audit & Risk Manager  
Telephone: 01480 388115



**Internal Audit Service**

**Internal Audit  
&  
Assurance Plan  
2014 - 2015**

## **2014 – 2015 Internal Audit & Assurance Plan**

The Internal Audit & Assurance Plan for the period April 2014 to March 2015 has been prepared in accordance with the Public Sector Internal Audit Standards.

The Standards require that Internal Audit provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment and that the opinion should inform the Annual Statement of Assurance on Corporate Governance.

The plan has been developed to take account of this requirement and provides the opportunity for reviews of corporate governance, risk management and operational controls to be undertaken as well as the more traditional financial areas.

All the risks present in the risk register as at 23 June have been included within the four year strategic audit plan, although not all, when considering the service issues identified or alternative assurance available, are required to be audited. Reviews that have clear links to risks within the risk register will consider the effectiveness of the controls that are in place to manage the risks identified. They will also consider the manager's assurance opinion entered into the register.

The detailed audit plan will be prepared on a 3+9 basis – that is a detailed three month frozen plan, supported by a rolling nine month fluid plan. A summary of the audits planned during the year are listed below.

The annual assurance opinion that I provide will be based upon the findings of the reviews carried out.

In addition to undertaking the audits detailed in the plan, the review of fraud related risk areas will continue. Internal audit will also be involved in providing advice and assistance to managers, advising on new project developments, dealing with any whistleblowing allegations received and attending quotation openings to observe managers compliance with the Code of Procurement. The outcomes from this work will inform the annual assurance opinion.

Whilst it is envisaged that all the audits contained in the plan will be undertaken, the identification of any new risks or significant changes in residual risk scores, may require changes to the proposed plan so as to ensure that reviews are undertaken of areas identified as being of greatest risk to the achievement of Council objectives. The Head of Resources and Chairman of the Corporate Governance Panel will be informed of any changes before they are introduced.

**David Harwood**  
**Internal Audit & Risk Manager**  
**1 July 2014**

## 2014 – 2015 Internal Audit & Assurance Plan

| Inherent risk | Risk area                                 | Days | Residual risk |  |
|---------------|---|------|---------------|--|
| Red           | Making Assets Count                       | 8    | Red           |  |
|               | Loans/investments                         | 5    |               |  |
| Red           | Refuse & Kerbside Waste Collection        | 10   | Orange        |  |
|               | Housing Benefits                          | 10   |               |  |
|               | S106 Agreements                           | 8    |               |  |
|               | Management of Health & Safety             | 6    |               |  |
| Red           | CCTV                                      | 8    | Yellow        |  |
|               | Staff Training & Development              | 6    |               |  |
|               | Bailiffs & Debt Collection Agencies       | 6    |               |  |
|               | Data Protection                           | 5    |               |  |
| Orange        | One Leisure                               | 12   | Orange        |  |
|               | Service developed ICT systems             | 10   |               |  |
|               | Promotion of active lifestyles            | 5    |               |  |
| Orange        | Licences                                  | 12   | Yellow        |  |
|               | Budgetary control & monitoring            | 10   |               |  |
|               | Housing policy/strategy                   | 5    |               |  |
|               | Economic Development/Industrial Units     | 5    |               |  |
|               | Recruiting to 'High Risk' Posts           | 5    |               |  |
|               | Freedom of Information                    | 5    |               |  |
| Yellow        | Payroll/HR systems                        | 10   | Green         |  |
|               | Out-sourced - IT Services                 | 10   |               |  |
|               | Out-Sourced - Legal Services              | 10   |               |  |
|               | Personnel - casual & temporary employees  | 10   |               |  |
|               | Delivery of Leadership Objectives         | 10   |               |  |
|               | Car Parks                                 | 10   |               |  |
|               | Email review - non work/private use       | 10   |               |  |
|               | Grants to Outside Bodies                  | 8    |               |  |
|               | Payroll - Pay Review Amendments           | 7    |               |  |
|               | Cashiering                                | 7    |               |  |
|               | Staff Allowances                          | 6    |               |  |
|               | Payment of election fees                  | 5    |               |  |
|               | S151 & Monitoring Officer                 | 5    |               |  |
|               | <b>IT audits</b>                          |      |               |  |
|               | Desktop Management and Delivery           | 10   |               |  |
|               | Uniform Application                       | 10   |               |  |
|               | Network Security                          | 9    |               |  |
|               | One Leisure Website – Content Management  | 8    |               |  |
|               | Service Desk, Change & Release Management | 7    |               |  |
|               | IT for Members                            | 5    |               |  |





## 2014 – 2015 Internal Audit & Assurance Plan

### Continuous audit

|                               |   |
|-------------------------------|---|
| Council Tax                   | 5 |
| Business Rates                | 5 |
| Accounts Receivable (Debtors) | 5 |
| Main accounting system        | 5 |
| National non domestic rates   | 5 |
| Accounts Payable (Creditors)  | 5 |

### Consultancy review

|                   |    |
|-------------------|----|
| Chart of Accounts | 20 |
|-------------------|----|

|                           |           |   |
|---------------------------|-----------|---|
| Risk Register categories: | Very high |  |
|                           | High      |  |
|                           | Medium    |  |
|                           | Low       |  |

In addition to the audits listed above, 104 days has been allocated to the following areas: providing help and advice to managers; quality assessment of work undertaken and file review; follow-up reviews of agreed actions introduced; attendance at quotation openings, managing whistleblowing allegations; and supporting the work of the Corporate Governance Panel through developing the annual governance statement, Member committee effectiveness reviews and annual reporting.

**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

|                              |   |
|------------------------------|---|
| <b>Title/Subject Matter:</b> | Members' Allowances Scheme – Variation to Support Guidelines            |
| <b>Meeting/Date:</b>         | Corporate Governance Panel – 23rd July 2014<br>Council – 30th July 2014 |
| <b>Executive Portfolio:</b>  | Strategic Economic Development and Legal<br>Councillor T D Sanderson    |
| <b>Report by:</b>            | Head of Legal & Democratic Services                                     |
| <b>Ward(s) affected:</b>     | All   |

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### **Executive Summary:**

The Members' Allowances Scheme is enclosed in Part 6 of the District Council's Constitution. It is reviewed every four years by an Independent Remuneration Panel. When the Scheme was last reviewed in 2011, the Panel considered that, for completeness, the Scheme also should reflect the type and levels of other support received by Councillors from the Council such as IT and telephone equipment.

At its meeting on 10th April 2014, the Cabinet reviewed the provision of IT support for Members and agreed to withdraw IT equipment and broadband connections for Members and offer, as an alternative, the opportunity to purchase iPads from Member Allowances in a move towards electronic delivery of agenda for Council meetings. As part of this decision, the Cabinet recommended that the Members' IT and Telephone Support Guidelines referred to in the Scheme be varied to reflect the new proposal. Although subject to call in by the Overview & Scrutiny Panel (Economic Well-Being), this decision was reaffirmed by the Cabinet.

As review of the Constitution and recommending any consequential changes to the Council forms part of the Panel's terms of reference, this report describes the minor changes that are required to be made to the Scheme, and principally, the Guidelines to reflect the Cabinet's decision.

### **Recommendation(s):**

That paragraph 10 of the Members Allowances Scheme and the Members' IT and Telephone Support:Guidelines appended to the Scheme be updated to reflect the changes approved by the Cabinet to the level of IT support etc to be provided to Councillors by the Council and that the Council be recommended to approve the appropriate adjustments.

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## **1. WHAT IS THIS REPORT ABOUT/PURPOSE?**

- 1.1 As the Panel is responsible for reviewing and recommending to Council proposed changes to the Constitution, this report describes the minor adjustment to be made to Part 6 - the Members' Allowance Scheme following the decision by the Cabinet to approve changes to Member' IT provision.
- 1.2 The Cabinet recommended that the Members IT and telephone support guidelines be varied accordingly to reflect the decision.

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 2.1 Paragraph 10 of the Scheme entitled 'Members IT Support' currently states –  
  
*'District Councillors shall be entitled to IT and telephone support to assist them in their roles as Members of the authority. Such support shall include ICT, telephone equipment and consumables which shall be issued in accordance with the guidelines appended to this scheme.'*
- 2.2 The proposed new arrangements have a minor impact on this wording. IT and telephone support will continue, although in terms of IT, perhaps in a more limited way. Under the 'Facing the Future' exercise it was proposed that the the provision of IT sundries and consumables should be discontinued. The use of iPads and withdrawal of individual home printers should, in any event, remove the need for Members to print documents so the demand for paper, toner and ink cartridges should also reduce. It is suggested therefore that the term 'consumables be deleted but that in its widest sense the remainder of the paragraph remains current.
- 2.3 It is the Guidelines which require the most radical change. These are included as an appendix to the Scheme for Members' convenience and ease of reference. Their inclusion is not a requirement of a modular Constitution. The Guidelines have been updated to reflect the new arrangements and a copy is enclosed as an Appendix.

## **3. COMMENTS OF OVERVIEW & SCRUTINY PANEL**

- 3.1 The 'Future of Members' IT' was considered on two occasions by the Overview & Scrutiny Panel (Economic Well-Being). The Panel recommended to the Cabinet that 'the current terms of the Constitution be reviewed and, if necessary, revisions (to it) be implemented in the normal way'.
- 3.2 This report addresses the conclusions of the Panel.

## **4. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 4.1 Should the Panel recommend to the Council that the the word 'consumables' be deleted from paragraph 10 of the Members' Allowances Scheme and that the changes made to the general guidelines for Members' IT and Telephone Support be endorsed, the amendments can be subsumed within the Constitution with immediate effect.

**5. APPENDIX INCLUDED**

Appendix – Members' IT and Telephone Support: Guidelines

**BACKGROUND PAPERS**

**District Council's Constitution**

**Minutes of the Cabinet and Overview & Scrutiny Panel (Economic Well Being)**

**CONTACT OFFICER**

**Christine Deller**

**Democratic Services Manager – 01480 388007**

**Members' IT and Telephone Support: Guidelines (Updated July 2014)****1. General**

- 1.1 This note summarises the support provided for Members of the Council to assist them in their roles as Councillors. It prescribes Members entitlement to ICT, telephone equipment and printer consumables.
- 1.2 At a meeting on 10th April 2014, the Council's Cabinet reviewed the provision of IT support for Members and agreed to withdraw IT equipment and broadband connections and offer, as an alternative, the opportunity to purchase iPads from Member Allowances in a move towards electronic delivery of agenda and minutes for Council meetings. As part of this decision, the Cabinet recommended that the Members' IT and Telephone Support Guidelines referred to in the Scheme be varied to reflect this new proposal.

**2. New Councillors**

- 2.1 After May 2014, all new Members will be required to use either their own IT equipment for Council business or take advantage of loan arrangements for purchase of a new mobile device. A few existing Members will retain HDC supplied computers during a transition period or until the end of their term as Councillor. All Members still will be required to comply with the Council's email and mobile phone protocols. Members also need to be mindful of the Council's Internet Usage Protocol and will be required to give written confirmation that any equipment loaned to them will be returned when the Member ceases to be a Councillor.
- 2.2 The Council will no longer supply computer equipment, a telephone landline or broadband services. The Council will continue to offer a loan mobile phone instead of a telephone allowance. The mobile phone offer will comprise a basic Nokia with calls, texts and a voicemail service on the EE network. (Note: although overtime there may be changes to the Nokia model offered, the basic service will remain unchanged.) One mobile phone per Member will be offered. Should this be lost or damaged, the Member will be responsible for its replacement.
- 2.3 Members are entitled to receive £10 per month allowance if they use their personal broadband for Council work.
- 2.4 Where a Member elects not to take a loan mobile phone, they are entitled to a telephone allowance, currently £8.92 per month for use of their own home/mobile telephone.
- 2.5 Each Member will be supplied with a corporate email address published on the Mod.Gov Committee Management System in the format of [firstname.lastname@huntingdonshire.gov.uk](mailto:firstname.lastname@huntingdonshire.gov.uk) and an Office365 email address of [firstname.lastname@huntingdonshireDC.org.uk](mailto:firstname.lastname@huntingdonshireDC.org.uk) which will be accessible on a computer, tablet or smartphone.

**3. Printer Consumables**

- 3.1 The Council will no longer supply a printer to Members. However, those Members still in possession of a Council printer will remain entitled to two replacement cartridge sets per year for printing required in connection with their duties as a Councillor. A Member also will be entitled to be reimbursed for the cost of two replacement cartridge sets which they may have purchased externally for Council use. In order for Councillors to be reimbursed, receipts will need to be provided as proof of purchase.

- 3.2 Consumables can be obtained from Support Services 01480 388014 or Democratic Services 01480 388007 on request. A record of consumables supplied will be maintained.
- 3.3 Members are encouraged to reduce printing where they can and to request Democratic Services to arrange for the printing of large documents via the Document Centre at Eastfield House.

#### **4. Support**

- 4.1 Members have a dedicated Members IT Support Officer – Colin Chesterton 01480 388236. Colin is part of the IMD Help Desk Team 01480 388121. Colin will provide IT support to the Council Systems as well as giving general and specific IT training on the Council IT systems. He will also advise on accessing Council IT systems on Apple iPads. He can also advise on other IT matters relating to Council IT systems on personal computers and tablets on a best endeavour basis only – it is not possible for the council to provide support for the many difference makes and models of devices available.
- 4.2 The Council recommend that HDC supplied mobile phones be set up with a voicemail service, so callers can leave a message. Colin can advise on this and other phone functions.

#### **5. Other Issues**

Regulations provide that where a Member of an Authority is also a member of another authority, that Member may not receive allowances from more than one Authority in respect of the same duties i.e. allowances for broadband or phone cannot be claimed from both Authorities.

The Council will register each Councillor as a data controller with the Information Commissioner and pay the annual fee for that registration. This will cover the Councillors use of a PC for District Council work.

If a Mobile phone has been loaned to a Member, it should only be used for Huntingdonshire District Council or Ward business only. Members are urged not to use their personal email addresses for Council business.

In the case of mobile phones loaned by the Council, the Council will meet the cost of the outgoing calls and rental. In the case of Members taking the telephone allowance of £8.92, no additional remuneration is made available to meet the cost of calls.

**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Licensing Committee: Review of effectiveness  
**Meeting/Date:** Corporate Governance Panel – 23 July 2014  
**Executive Portfolio:** Cllr T D Sanderson  
**Report by:** Internal Audit & Risk Manager  
**Ward(s) affected:** All

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### **Executive Summary:**

The Corporate Governance Panel requested that a review of the effectiveness of the Licensing Committee be undertaken; the results of which would be used in considering the Council's overall governance arrangements and preparation of the 2014 annual governance statement. For the purpose of this review, the Licensing Committee has been taken to include the Licensing Sub-Committee, the Licensing and Protection Panel and the various sub-groups etc. that hear licence applications.

The scope of the review was agreed by the Chairman and Vice-Chairman of the Committee and details are attached at Appendix 1. The review of effectiveness was conducted by a small team of three Licencing Committee Members together with those Officers who regularly supported the Committee. Challenge within the review process was provided by the Internal Audit & Risk Manager.

Prior to the review commencing all members of the Committee were invited to provide comments and their views on the effectiveness of the Licencing Committee. Three responses were received.

### **View of Effectiveness**

The working group considered that the Licensing Committee were generally acting effectively in discharging their responsibilities They have identified a number of issues that they wish to bring to the attention of the Committee.

1. The potential out-sourcing or sharing of Legal Services may impact upon the quality of the legal advice provided to the Sub-Committee/Group hearings.
2. The Vice-Chairman of the Committee stood down from the Council in May 2014 and whilst this will mean that substantial licencing experience and expertise has been lost, it gives the Committee the opportunity to consider the future composition of the Sub-Committee/Group, specifically whether :
  - (a) The Chairman and Vice-Chairman should be de-facto members of the Licensing Sub-Committee and the Licensing and Protection Applications Sub-Group (which accords with the decision of Council in recognising their 'enhanced role' when setting the Special Responsibility Allowance (SRA));
  - (b) Consider if the SRA is set at an appropriate level and provide comments

to the Independent Remuneration Panel if they believe the SRA is not correct;

(c) Identify opportunities for all Members of the Committee to attend Sub-Committee/Groups if they express a wish to do so.

3. 'Refresher' training on some of the more fundamental aspects of the work of the Sub-Committees/Groups would be useful, especially when the membership changes.

### **Licensing Committee comments**

The effectiveness report was considered by the Licensing Committee on the 24 June. No objections were raised with the conclusion reached by the working group.

Recommendation two prompted debate around political proportionality of the Licensing and Protection Applications Sub-Group. The Committee also agreed that the existing custom and practice for the involvement of the Chairman and Vice-Chairman in Licensing Sub Groups and Committees be retained..

### **Financial and Legal Implications**

There are no financial or legal implications arising from this report.

### **Recommendation(s):**

It is recommended that the Panel

1. Note the outcome of the effectiveness review of the Licensing Committee; and
2. Decide which Committee/Panel should be subject to review during 2014/15.

## **1. WHAT IS THIS REPORT ABOUT/PURPOSE?**

- 1.1 This report details the findings of the working group that was set-up to consider the effectiveness of the Licensing Committee.

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 2.1 The Corporate Governance Panel review their own effectiveness on a frequent basis. They have found this process to be a useful opportunity to critically review their own performance and identify opportunities for improvement.
- 2.2 At the request of the Corporate Governance Panel, a review of the effectiveness of the three Overview & Scrutiny Panels was conducted in 2013. This review was considered successful, and the Corporate Governance Panel requested that an effectiveness review of the Licensing Committee be undertaken in 2014.

## **3. REVIEW PROCESS**

- 3.1 The effectiveness review was led by the Internal Audit & Risk Manager. Following a meeting with the Chairman and Vice-Chairman of the Committee on 23 March, a scoping document for the review was prepared (Appendix 1). The Chairman of the Committee decided that a small working group be formed to undertake the review – consisting of himself, the Vice-Chairman and Councillors I Curtis and R West. The working group were assisted in the review by the Central Services Manager, Licensing Manager and the Member Development Officer.
- 3.2 An email was sent to all Members of the Licencing Committee on 27 March, that included the scoping document and explained the review process that was to be followed. The email requested that Members share their thoughts on the work of the Committee with the Internal Audit & Risk Manager, so that they could be considered as part of the effectiveness review process. Three members of the Committee responded to this request.

## **4. REVIEW FINDINGS**

- 4.1 The working group met on 8 April. Cllr Curtis was unable to attend but did provide some comments which were considered by the group. Whilst the group focussed on current practices, they also considered whether Committee effectiveness could be enhanced by expanding their terms of reference to consider issues that are currently outside of their remit.

The key findings of the working group are detailed below, in the order they are listed on the scoping document.

### **Officer support, including legal representation Completeness of papers presented to Members**

- 4.2 The working group considered that the Officer support provided to both the main Committee and Sub-Committee meetings and individual licencing application hearings was very good. Reports were considered to be clear in explaining legislative changes and the amendments arising to the scheme of delegation, e.g. the changes that needed to be introduced from the Scrap Metal Dealers Act 2013.

Due to the requirement for fairness in the decision making process, the attendance of a Legal Officer to provide appropriate advice to Members was considered to be very important and a current strength however it was noted that with changes to staffing in the Legal Services, there were occasions when advice was provided by either the Licensing Manager or the Central Services Manager when the applicant was not represented. Concerns were expressed that the potential out-sourcing of Legal Services may reduce the frequency of attendance by an appropriately qualified and knowledgeable Legal Officer.

### **The opportunity for further delegation of decisions to Officers**

- 4.3 The working group felt that the delegation of powers to Officers were appropriate and that they should not be changed. An appropriate balance appeared to have been struck between decision making of the Committee and Officers.

### **Member engagement in attending individual licence hearings**

#### **Chairman and Vice-Chairman**

- 4.4 Hearing individual licence applications is a significant part of the work of the Committee and the working group spent a considerable amount of time discussing this point. The working group were robustly challenged as to why they felt that there was sufficient Member engagement with individual licence application hearings. During the discussions, the rules on Councillor disqualification were acknowledged and taken into account.
- 4.5 Working procedures have been established for both the Licensing Sub-committee (LSC) and the Licensing and Protection Application Sub-group (LAPAS).

Both working procedures set out the process to be followed for appointing Members to the appropriate sub-committee/group and the appointment of the Chairman.

**LSC:** Each Licensing Sub-Committee shall comprise three Members appointed by the Licensing Committee from amongst its membership. A Sub-Committee shall elect a Chairman from amongst its members at each meeting, for the purpose of that hearing or meeting.

**LAPAS:** Each Licensing Sub-Group shall comprise four members appointed from the Licensing and Protection Panel. In the event of the Chairman of the Licensing and Protection Panel not being present at a meeting, the Sub-Group shall elect a Chairman from among its members for the purpose of that meeting.

- 4.6 Neither procedure explicitly require the attendance of either the Chairman or Vice-Chairman of the Licensing Committee (LC) or the Licensing and Protection Panel (LPP) at the LSC or the LAPAS meetings. Custom and practice is such that one or both of the post-holders attend each of the application hearings.
- 4.7 Excluding the Executive, the positions of Chairman and Vice-Chairman of the LC/LPP (along with those of the Development Control Panel) have been



allocated the highest Special Responsibility Allowances (SRA) of all other Committee/Panel appointments. This decision was taken by Council in December 2004 (minute extract below):

### **Implications Of The Licensing Act 2003**

The Licensing Act 2003 and associated Regulations have set the first appointed day for receipt of applications by the Council as 7th February 2005. Later on the agenda the Council is being asked to establish a new Licensing Committee to discharge the functions of the Council as licensing authority under the Act. Having been apprised of the potential workload for Members which will arise from the requirement to hold sub-committee hearings to determine applications and the enhanced role of the Chairman and Vice-Chairman of the Licensing and Protection Panel/Committee, the Panel recommended Special Responsibility Allowances of £5,050 and £2,250 per annum for the Chairman and Vice-Chairman of the Licensing and Protection Panel/Committee which are equivalent to those received by the Chairman/Vice-Chairman of the Development Control Panel.

- 4.8 As Council have recognised the enhanced role of the Chairman and Vice-Chairman of the LC/LPP the working group consider it appropriate that the working procedures for the LSC and LAPAS (and the sex establishment and gambling act licence sub-groups) explicitly reflect this. If such a change is not approved, then consideration should be given as to whether or not the SRA is set at an appropriate level.

### **Other Members**

- 4.9 Whilst acknowledging that only 3 and 4 Members are required to attend the application meetings of the LSC/LAPAS respectively, a review was undertaken to identify which Members (at the time of preparing the report) have attended these meetings. The results of the review are shown in the table below.

| Councillor         | Membership<br>Meetings<br>April 2013 – May 2014 | Total | LSC | LAPAS |
|--------------------|---|-------|-----|-------|
|                    |   | 19    | 6   | 13    |
| IJ Curtis          |   | 18    | 5   | 13    |
| JW Davies          | Chairman  | 17    | 5   | 12    |
| CR Hyams           | Vice-Chairman                                   | 13    | 5   | 8     |
| RJ West            |   | 11    | 1   | 10    |
| R Fuller           |   | 8     | 2   | 6     |
| KM Baker           |   | 4     | 0   | 4     |
| WT Clough          |   | 1     | 0   | 1     |
| TD Sanderson       |   | 1     | 0   | 1     |
| GJ Harlock         |   | 0     | 0   | 0     |
| Mrs L Kadic        |   | 0     | 0   | 0     |
| SM Van De Kerkhove |   | 0     | 0   | 0     |
| MC Oliver          |   | 0     | 0   | 0     |

- 4.10 Ignoring the involvement of the Chairman and Vice-Chairman, four of the remaining 10 Councillors have attended between them, the majority of the 19 application meetings of the LSC/LAPAS. Arranging the meetings and forming

the LSC/LAPAS is the responsibility of Democratic Services, and is carried out in consultation with the Chairman. The decision as to which Councillors are to be asked to attend is driven primarily by a Councillors' daytime availability and their previous responses to requests to attend. If Councillors were unable to attend a meeting, then almost by default, a core group of Councillors who were available has become established.

- 4.11 The working group recognise that the Chairman/Vice-Chairman's attendance at application hearings reduces the opportunities available for others to attend. They were also aware that whilst the training that was provided to Councillors enhanced their understanding and knowledge of licencing law but that was not a substitute for the experience to be gained from attending hearings themselves.
- 4.12 Without changing the composition of the LSC/LAPAS by removing the requirement for the Chairman/Vice-Chairman to attend, the working group was unable to identify any alternative proposals to try and enhance overall effectiveness. However, they were aware that the Vice-Chairman is not standing for re-election in May 2014 and whilst this will mean that substantial licencing experience and expertise will be lost, an opportunity is available to consider the future composition of both the LSC/LAPAS.

#### **Identification of training needs and subsequent training provided Provision of information & legislative changes/updates**

- 4.13 The working group considered that the standard of training and Members understanding of the issues that they need to take into account when considering licence applications appeared to be high. They supported this conclusion based on the knowledge that there had been only one appeal against a licence decision in the last three years.
- 4.14 In November 2011 Council amended both the Constitution and the Licensing Code of Good Practice to reflect the requirement for training:

**Constitution:** No Member shall be eligible to serve on a Regulatory Committee – the Development Management and Licensing and Protection Panels and Licensing Committee unless or until they have undertaken relevant training.

**Licensing Code of Good Practice:** make specialised training mandatory for Members who wish to serve on the Licensing and Protection Panel/Licensing Committee.

Whilst formal training from external 'experts' was only undertaken once per year, the working group felt that the training had considerably improved Members understanding and knowledge and they wished to see the specialised training continue. One of the respondents who provide comments upon the review questioned whether annual training was sufficient. They recognised the usefulness of the annual training but felt that 'refresher' training on some of the more fundamental aspects of the work of the application panels would be useful, especially when the membership changes.

- 4.15 The Licensing Manager also provides one-to-one training with a Member if it is requested, or if the Licensing Manager or Member Development Officer identifies a training need that has the potential to affect the outcome of licence application hearings.

## **The Committee's involvement in receiving information on complaints and their resolution, enforcement action and the performance monitoring of licensing services**

- 4.16 The working group discussed options for expanding the role of the Committee, specifically:
- receiving information on the overall performance of licensing functions that fell within their remit;
  - details of complaints received and resolution; and
  - enforcement action undertaken and any subsequent issues.
- 4.17 Officer's explained to the working group how they assessed the risks associated with the breaching of any licence conditions and how they targeted enforcement. They gave examples of their involvement and liaison with the Police and others.
- 4.18 The working group recognised that licensing was a front line service. Whilst it had many roles, key amongst them was a duty to protect the public and safeguard the reputation of the Council. Information regarding the performance of the licensing service would therefore be of value to the Committee. Having noted that, the working group considered that receiving this information would add little to the overall role of the Committee. In essence, they felt that having received it, what action would they be able to take that improved the effectiveness of the Committee?

## **5. LIST OF APPENDICES INCLUDED**

Appendix 1 - Scope of the review

### **BACKGROUND PAPERS**

Notes of working group meeting

### **CONTACT OFFICER**

David Harwood. Internal Audit & Risk Manager.  
Tel No. 01480 388115.

## Scope of the review

### Effectiveness Review of the Licensing Committee<sup>1</sup>

At the request of the Corporate Governance Panel, a review of the effectiveness of the Licensing Committee is to be undertaken.

After discussing the review with the Chairman and Vice-Chairman of the Committee, it was agreed that the review will not consider individual licence applications. It will consider the effectiveness of the meetings at which applications are considered and the Committee's role in monitoring the effectiveness of licensing services provided across the Council.

The areas of focus for the review will include:

- Officer support, including legal representation
- Completeness of papers presented to Members
- The opportunity for further delegation of decisions to Officers
- Member engagement in attending individual licence hearings
- Training, identification of training needs and subsequent training provided
- Provision of information & legislative changes/updates

The Committee's involvement in receiving information on complaints and their resolution, enforcement action and the performance monitoring of licensing services shall also be considered together with the involvement of Overview & Scrutiny Panel.

The review will be undertaken by:

Councillors, J W Davies, C R Hyams, IC Curtis and R J West.

The views of all the members of the Committee will be sought to allow them to highlight any issues of concern and opportunities for improvement.

It is anticipated that the review will be completed by 16 May 2014.

A draft report will be prepared by the Committee Chairman and presented to the 24 June Licensing Committee for discussion and endorsement. This will allow the report to be considered by the Corporate Governance Panel at its 23 July meeting.

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<sup>1</sup> For the purpose of this review, the Licensing Committee should be read to include the Licensing Sub-Committee, the Licensing and Protection Panel and the Licensing and Protection Applications Sub-Group.

**Public**  
**Key Decision – No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Work Programme & Training  
**Meeting/Date:** Corporate Governance Panel – 23 July 2014  
**Executive Portfolio:** Resources: Councillor J A Gray  
**Report by:** Internal Audit & Risk Manager  
**Ward(s) affected:** All Wards

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### **Executive Summary**

The anticipated work programme for the Panel for the next year is shown at Appendix 1. This is based upon the Panel's current terms of reference.

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.

Training can be provided by appropriate officers, external audit or external trainers (subject to budgetary constraints).

The formal Panel training day has been arranged for Thursday 11 September. It will be held at Pathfinder House and run from 9.30am until 4.00pm. Invitations have been sent to other Cambridgeshire authorities and an update will be provided at the meeting on delegate numbers.

### **Financial implications**

The costs associated with the external training day are expected to be less than £1000 and will be funded from existing budgets. If external delegates attend and depending on their number, it is anticipated that the Council's costs will be further reduced.

### **Recommendation**

It is recommended that the Panel consider what training is to be provided prior to the September meeting.

### **Background papers**

None

### **Contact Officer**

David Harwood. Internal Audit & Risk Manager  
Tel No. 01480 388115

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## Anticipated Work Programme

### September 2014

Approval of the statement of accounts  
 Approval of the Annual Governance Statement  
 External audit – ISA 260 report  
 Effectiveness of the Panel  
 Risk register review

### November 2014

Whistleblowing : policy review & investigations  
 Whistleblowing concerns received  
 Annual reports – Freedom of Information  
     – Business Continuity Planning  
 Internal Audit interim progress report  
 Corporate Board and assurance mapping

### January 2015

Progress on introducing external audit recommendations  
 External Audit: Grant certification  
 Review of the anti-fraud & corruption strategy  
 National Fraud Initiative

### March 2015

Review of Council constitution incl.  
     Code of financial management  
     Code of procurement  
     Employee code of conduct  
 Internal Audit Plan  
 External Audit: Audit plan and grant claims  
 Risk register review  
 Progress on issues raised in the Annual Governance Statement

### May 2015

Review of the internal audit service  
 Internal audit annual report & opinion  
 Corporate Fraud Team investigation activity  
 Corporate Board and assurance mapping

### July 2015

Preparing the Annual Governance Statement  
 Effectiveness review of Licensing Committee  
 Internal Audit Plan

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

|                                |  |
|--------------------------------|--|
| Ombudsman reviews              | Money laundering and bribery               |
| Accounting policies            | National Fraud Initiative                  |
| External audit recommendations | Effectiveness reviews of Panels/Committees |
| Constitutional matters         | Other governance matters (e.g. equality)   |

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