

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE PANEL held in the Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Thursday, 25 September 2014.

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

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

IN ATTENDANCE: Councillor J A Gray.

93. MINUTES

The Minutes of the meeting held on 23rd July were approved as a correct record and signed by the Chairman.

94. MEMBERS' INTERESTS

No declarations were received.

95. CORPORATE GOVERNANCE PROGRESS REPORT

In monitoring progress/achievement of specific actions previously reported to the Panel, Members were advised that the appointments of authorising officers would be announced in October.

The Chairman questioned why an update on project management had been presented to the September meeting of the Overview and Scrutiny Panel (Economic Well-Being) but had not been included on the Panel's agenda. In response to which the Senior Democratic Services Officer undertook to circulate the report to the Panel by email and would remind the report's authors that future updates need to be considered by both Panels.

96. APPROVAL FOR PUBLICATION OF THE 2013/14 ANNUAL GOVERNANCE STATEMENT AND ANNUAL FINANCIAL REPORT

(Councillor J A Gray, Executive Councillor for Resources and Mr C Everest and Ms J Dudley of PricewaterhouseCoopers LLP were in attendance for consideration of this item).

Consideration was given to a report by the Head of Resources (a copy of which is appended in the Minute Book) seeking approval for the publication of the Council's Annual Governance Statement, Letter of Representation and the Annual Financial Report for 2012/13.

Members were reminded of the process required to be undertaken prior to the documents' publication. As part of which, Ms J Dudley

delivered the external auditors' ISA 260 report which outlined their findings arising from the audit of the 2013/14 accounts. Members were advised of reassessment of the level of risk in relation to the NDR appeals provision to "elevated" which has been necessary due to the lack of historic data in relation to appeals. Ms Dudley then proceeded to deliver an explanation of the audit approach undertaken and updated the Panel on matters which had progressed since the publication of the report.

The external auditors then proceeded to respond to a number of questions raised by the Panel relating to the use of reserves, provision against non-domestic rates appeals, succession planning, shared services and the introduction of zero based budgeting.

In considering the contents of the Annual Governance Statement, Members' attention was drawn to some significant areas for improvement, including developing the themes and aims of the Corporate Plan, publicising the vision statement and strategic themes and outcomes to key stakeholders, reviewing partnership commitments and compliance with the Code of Procurement.

The Panel complimented Officers on their efforts in finalising the documents in advance of the statutory deadline for publication of 30th September 2014. At the same time, Members congratulated the Internal Audit and Risk Manager on the quality and high standard of the Annual Governance Statement.

Having expressed their satisfaction with the content of the external auditors' Letter of Representation, the Panel

RESOLVED

- (a) that the content of the external auditor's ISA 260 report be noted;
- (b) that the Governance Statement for 2013/14 be approved and the Executive Leader and Managing Director authorised to sign the Statement on behalf of the Council;
- (c) that the Letter of Representation appended as an Annex to the auditors' report now submitted be approved and the Head of Resources authorised to sign it on behalf of the Council; and
- (d) that the Annual Financial Report be approved and the Chairman of the Panel authorised to sign the accounts on behalf of the Council.

97. ANNUAL REPORT OF THE PANEL

By way of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) Members were provided with the opportunity to comment on the draft annual report of the Panel in respect of the year ending 30th September 2014, prior to the document's submission to Council.

Whereupon, it was

RESOLVED

- (a) that the content of the draft annual report be noted; and
- (b) that the Chairman be authorised to approve any changes to the report prior to its submission to Council on 17th December 2014.

98. EFFECTIVENESS OF THE PANEL

A report by the Internal Audit and Risk Manager was submitted (a copy of which is appended in the Minute Book) detailing the outcome of a review undertaken by the Councillors E R Butler, G Harlock and R West on the effectiveness of the Panel (a copy of the report is appended in the Minute Book).

Members noted that the review had concluded that the Panel was generally acting effectively and fulfilling its terms of reference. In discussing opportunities to improve its efficiency, Members discussed the advantages and disadvantages of receiving draft accounts prior to audit and whether only receiving them after audit, in September, was sufficient to allow the Panel to discharge their governance responsibilities. The Panel felt that it would be beneficial to receive the draft accounts during the course of the audit at an informal meeting. The Panel also felt that they would benefit from further training on the accounts and suggested that this be provided through a series of informal meetings.

With regard to improving Member effectiveness the Panel were of the opinion that the performance of all Members of the Council should be evaluated and they supported a suggestion that the matter be referred to the Member Development Group.

The Chairman raised concerns that the review had identified that two previous agreed actions by the Panel, relating to the introduction of a procurement strategy and the Council becoming a signatory to the Prompt Payment Code, had not been carried forward from one Progress Report to another and had not been undertaken. In response to which, the Internal Audit and Risk Manager explained that it was his intention to amend the Progress Report to show both the outstanding actions and a summary of the actions that have been completed during the previous 12 months. This would allow the Panel to refer back to previously agreed actions and if necessary, request update reports to assure themselves that the issues identified have been properly addressed. In supporting this change, the Panel agreed that actions should remain on the progress report until such time as they were satisfied with the action that has been undertaken.

Having considered a revised terms of reference for the Panel together with a proposed action plan, the Panel

RESOLVED

- (a) that the results of the outcome of the review of the effectiveness of the Panel be noted;

- (b) that Council be recommended to approve the Panel's Terms of Reference appended to the report now submitted;
- (c) that the opportunities identified to further improve the effectiveness of the Panel as set out in the Executive Summary and Action Plan of the report be approved;
- (d) that draft Annual Financial Reports be received by the Panel during the course of the audit, at an informal meeting, and discussions held between the Chairman and Head of Resources on the provision of training ; and
- (e) that the evaluation of Member Performance be referred to the Member Development Group.

99. RISK REGISTER UPDATE

With the aid of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) the Panel were acquainted with changes made to the Risk Register between the period 12th March to 1st September 2014.

In considering the content of the report, Members questioned the role of the Panel in risk management given the level of detail before them and the recent appointment of a Risk Management Champion. Having also referred to the involvement of the Cabinet and Overview and Scrutiny Panel (Economic Well-Being) Members agreed that the Panel should be considering the effectiveness of arrangements around risk management but felt that further thought should be given to the responsibility for managing risk. Having referred to the need for clarity over the roles, including that of the Risk Management Champion, Members felt that the Chief Officers Management Team should be made aware of their concerns. Whereupon, it was

RESOLVED

- (a) that the contents of the report be noted; and
- (b) that clarification over the responsibility for managing risk be referred to the Chief Officers Management Team.

100. WORK AND TRAINING PROGRAMME

By way of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) Members were acquainted with a work programme for the Panel for the period November 2014 to September 2015.

101. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

that the public be excluded from the meeting because the

business to be transacted contains exempt information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority and employees of, or office holders under, the authority.

102. OPTIONS FOR FRAUD INVESTIGATION POST SFIS

Consideration was given to a joint report by the Corporate Fraud Manager and the Head of Customer Services (a copy of which is appended in the Annex to the Minute Book) outlining the implications for the authority of the Department of Works & Pensions decision to launch a Single Fraud Investigation Service (SFIS). The Service will deal with the investigation of welfare fraud.

By way of introduction to the report, the Head of Customer Services explained that the Council would be transferring its housing benefit fraud function to the SFIS in May 2015. It was reported that some or all of the Council's Fraud Team would be transferred to the new service and that a significant number of risks connected to fraud across the Council's services would remain. At the same time a grant would be provided by the DWP to local councils for the administration of housing benefit/council tax benefit schemes.

In discussing the potential impact on fraud risk for the authority, Members' attention was drawn to the options available to the authority once the transfer of the housing benefit fraud function was completed. Following discussion on maintaining a level of fraud prevention and detection, Members were of the opinion that this should be provided through a smaller fraud team, delivery of which should be cost neutral whilst remaining effective. Having been advised that the future of the fraud service would be considered at a meeting of the Cabinet on 23rd October 2014, the Panel

RESOLVED

that the Cabinet be recommended to support the retention of a smaller fraud team, as outlined in option 4, with the aim of being cost neutral.

103. MRS H TAYLOR

Having been advised by the Chairman that Mrs Taylor would shortly be leaving the District Council to become Clerk at Yaxley Parish Council, the Chairman thanked Mrs Taylor for her contribution to their meetings and wished her well in her new post.

Chairman