

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE PANEL held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 26 March 2014.

- PRESENT: Councillor E R Butler – Chairman.
- Councillors M G Baker, K J Churchill,
G J Harlock, P Kadewere, P G Mitchell and
R J West.
- AN APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillor R Harrison.
- IN ATTENDANCE: Councillor N J Guyatt, Mr C Everest and Ms J Dudley.

56. MINUTES

The Minutes of the meeting of the Panel held on 29th January 2014 were approved as a correct record and signed by the Chairman.

57. MEMBERS' INTERESTS

No declarations were received.

58. 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. Members noted that the Managing Director would be submitting a report on procurement practices to the Panel's next meeting.

59. PROCUREMENT MEASURES TO SUPPORT COMPLIANCE

Further to Minute No 13/30, a report by the Procurement Manager was submitted (a copy of which is appended in the Minute Book) detailing the measures that had been introduced to support compliance with the Code of Procurement.

Particular attention was drawn to a new requirement in the Code of Procurement for Managers to advise the Procurement Manager by 1st April of all contracts to be advertised in the following year along with spend likely to exceed £100,000. Having been advised that a reminder had been issued to Managers, Members requested clarification on the number of Managers not complying with the requirement.

Having questioned the circumstances in which the Head of Legal and

Democratic Services would restrict an organisation involved in preparing a specification or contract document from being invited to quote or tender, the Panel

RESOLVED

that the report be received and the measures implemented and proposed to support compliance with the Code of Procurement noted.

60. REVIEW OF THE COUNCIL'S CONSTITUTION

(Councillor N J Guyatt, Deputy Executive Leader and Member of the Council's Programme Group was in attendance for consideration of this item)

With reference to a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) the Panel undertook a review of the Council's Constitution. The Panel were reminded of the procedure for a review in which all Members had been offered the opportunity to submit comments individually on the Constitution and senior managers had also been requested to update the scheme and suggest changes.

The Panel considered a proposal that the monitoring element of the Anti-fraud and Corruption Strategy be transferred from the Corporate Governance Panel to the Overview and Scrutiny Panel. In so doing, the consensus among Members was that the function should remain with the Corporate Governance Panel. Members did support the proposed deletion of the requirement for a report to be submitted to the next meeting where payments of up to £1000 had been approved by the Head of Legal and Democratic Services, after consultation with the Chairman of the Corporate Governance Panel, on the basis that the Panel receives an annual report on complaint outcomes.

In discussing a suggestion to vary the terms of reference of the Corporate Governance Panel and Elections Working Group, Members acknowledged that there was merit in transferring some functions to the Standards Committee. However, the Panel felt that the review of the Constitution should remain with the Corporate Governance Panel given the association with the Codes of Financial Management and Procurement.

With regard to a series of initiatives to enliven Council meetings, Members expressed support for trialling alternative layouts in the Civic Suite but felt that further thought needed to be given to the headline debate, Green Paper, frequency of meetings, Annual State of the District Address, Council Programme group and Reports of the Cabinet, Panels and Committees. In that respect, it was suggested that a working group be established to consider these issues further.

Members' attention was drawn to proposed changes to the Code of Procurement. It was reported that a further change to the Code would be made to reflect the process of debriefing unsuccessful tenderers. At the same time, the Deputy Executive Leader referred to the proposed changes to the procurement thresholds and reported

that he would be seeking the views of the Cabinet on the levels as he felt that they were too prescriptive. In that respect, the Panel requested that the views of the Cabinet be forwarded to the new Working Group for consideration.

Having considered other issues relating to reporting arrangements for the determination of pay awards, the Employees' Code of Conduct, Member Champions, Motions without Notice, the Code of Financial Management and the Management Structure, the Panel

RESOLVED

that a Working Group comprising of the Executive Leader or Deputy Executive Leader, the Chairman of the Council and Councillors M Baker, E R Butler, K Churchill and G Harlock be established to consider the headline debate, Green Paper, frequency of meetings, Annual State of the District Address, the format and responsibilities of the Council Programme Group, Reports of the Cabinet, Panels and Committees and procurement thresholds.

It was also RECOMMENDED to Council :-

- (a) that the requirement for a report to be submitted to an ensuing meeting following payment of up to £1,000 in compensation in settlement of a complaint be deleted from the Corporate Governance Panel's Scheme of Delegation;
- (b) that the following functions be transferred from the Corporate Governance Panel to the Standards Committee:-
 - (i) determination of the Council's Customer Feedback Procedure, monitoring compliance with the procedure, compensatory payments to complainants and formulation of recommendations to the Cabinet or Council on any action to be taken as a consequence; and
 - (ii) consideration of reports by the Local Government Ombudsman, approval of compensatory payments to complainants and formulation of recommendations to the Cabinet or Council or any remedial action to be taken as a consequence.
- (c) that the following matters relating to electoral arrangements be transferred from the Elections Working Group to the Standards Committee:-
 - (i) review of the District and Parish electoral arrangements including boundaries;
 - (ii) matters relating to the powers of a Parish Council, number of Parish Councillors and

new Parish Councils and Parish Wards;

- (iii) District and District Ward boundaries arising from any review; and
 - (iv) the periodic electoral review.
- (d) that with regard to the Employment Panel's Terms of Reference:-
- (i) the third bullet point on page 70 of the Constitution be amended such that the words "report" be deleted so the function would read –

to make recommendations in relation to employment and workforce practices within the Council.
 - (ii) that paragraph (iii) of the authority delegated to the Head of Paid Service be amended to enable the postholder to "negotiate, determine and implement local pay awards etc...."
 - (iii) that the following function remain the responsibility of the Corporate Governance Panel:-

"to monitor and advise the Council on the adoption, revision, content and operation of its Code of Conduct for Officers (Employee Handbook) in the light of best practice, changes in law and guidance"
- (e) that the practice of using Member Champions be re-established formally, that they be appointed by the Executive Leader when the need arises and listed for clarity and convenience in Part 3 of the Constitution.
- (f) that with regard to the Council's Procedure Rules:-
- (i) the following paragraph on Motions without Notice be inserted after (h) (paragraph 10, page 196) –

"in the case of proposed amendments to recommendations on draft or final budgets, Leaders of the Opposition Groups shall seek the advice of the Responsible Financial Officer at least 2 working days prior to the meeting to enable the implications of the proposed amendment to be reviewed and calculated for presentation to the

Council”

- (ii) the following paragraph on the recording of votes at budget meetings be added to Section 14:-

“14.7 – when the vote is taken at a budget decision meeting of the Council, there must be recorded in the Minutes of the meeting, the names of the Members who cast a vote for or against the Motion or who had abstained from voting.”

- (g) that the Code of Financial Management be adopted;
- (h) that, subject to the inclusion of the following sentence under paragraph 13.1, the Code of Procurement be adopted:-

“unsuccessful tenderers shall be advised in writing of the winning supplier, the value of the contract awarded and the strengths and weaknesses of their tender...” ; and

- (i) that the Head of Legal and Democratic Services be authorised to make such amendments as necessary to Part 7 of the Constitution to reflect the new management and organisational structure of the Council.

61. EXTERNAL AUDIT: AUDIT PLAN 2013/14

(Mr C Everest and Ms J Dudley of PricewaterhouseCoopers were in attendance for consideration of this item).

The Panel received and noted a report by the external auditors (a copy of which is appended in the Minute Book) detailing the draft External Audit Plan for 2013/14.

Ms J Dudley of PricewaterhouseCoopers LLP drew the Panel's attention to the key audit risk areas identified for the year and highlighted the approach that would be undertaken to complete these audits.

Members' views on fraud were then sought by the external auditors where it was concluded that any areas to bring to the attention of the external auditors would arise from the Fraud Working Group.

After an explanation on how it was arrived at, Members discussed the suggested £90k triviality threshold.

In response to a question, the Panel received clarification on how the external auditors would be involved in detecting fraud. Attention then was drawn to the level of audit fees for the 2013/14 year, which was expected to be on a par with this year. Having received assurances that any additional testing relating to the new Council Tax Support

Scheme and the localisation of Business Rates would be met from within existing resources, the Panel

RESOLVED

that the content of the draft External Audit Plan for 2013/14 be noted and the triviality threshold set at £90k.

62. ACCOUNTING POLICIES FOR THE ANNUAL FINANCIAL REPORT 2013/14

Consideration was given to a report by the Accountancy Manager (a copy of which is appended in the Minute Book) on the outcome of the annual review of accounting policies applied by the authority when producing the Annual Financial Report.

The Panel noted that four policies now require amendment with two of these being considered significant. Having been reassured that the changes proposed were for the purpose of clarification and transparency to ensure compliance with the International Financial Reporting Standards and would not have any direct financial implications, the Panel

RESOLVED

that the draft accounting policies for 2013/14, as set out in Annex A to the report, be approved.

63. EMPLOYEE HANDBOOK

Further to Minute No. 13/30 and with the assistance of a report by the Internal Audit Manager (a copy of which is appended in the Minute Book), the Panel considered the content of an Employee Handbook designed to replace and strengthen the existing Employee's Code of Conduct.

Having suggested that the document would be enhanced by the inclusion of an introduction and in thanking officers on the quality and high standard of the documents, the Panel

RESOLVED

(a) that the content of the Employee Handbook be noted; and

(b) that the Head of Paid Service be authorised, after consultation with the Chairmen and Vice-Chairmen of the Corporate Governance and the Employment Panels, to consider and finalise the Employee Handbook with a view to submitting the document to full Council for adoption on 30th April 2014.

64. AUDIT COMMITTEE GUIDANCE

A report was submitted by the Internal Audit & Risk Manager (a copy of which is appended in the Minute Book) summarising the content of new guidance issued by the Chartered Institute of Public Finance & Accountancy on the role and functions of an audit committee.

The report described, in brief, a revised position statement which included seven core functions of an audit committee, proposed terms of reference and two checklists for evaluating the Panel's effectiveness.

In discussing the core functions, attention was drawn to the monitoring of the effectiveness of the control environment, including arrangements for ensuring value for money and Members indicated their wish to receive further information on how officers intend to improve the Panel's understanding of this.

Members were advised that the Panel's current terms of reference have been assessed against the model terms and remain appropriate. However, it was suggested that the Panel may wish to consider the model terms in more detail as part of their annual effectiveness review. Whereupon, it was

RESOLVED

that the content of the report be noted and a review of the Panel's Terms of Reference be undertaken during the annual effectiveness review.

65. RISK REGISTER UPDATE

With the aid of a report by the Audit and Risk Manager (a copy of which is appended in the Minute Book) the Panel were acquainted with changes made to the risk register between 3rd September 2013 to 11th March 2014 inclusive.

Having requested clarification as to why reduced retained business rates were classified as an operational risk rather than corporate risk, the Panel

RESOLVED

that the contents of the report now submitted be noted.

66. WORK AND TRAINING PROGRAMME

By way of a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) Members received and noted a work programme for the Panel for the period 2014/15. In doing so, the Panel requested that their next training session be arranged for after the May elections.

67. MR S COUPER

The Panel was informed that this would be the last meeting that Steve

Couper would attend in his role of Assistant Director, Finance and Resources, prior to his retirement on 31st March 2014. The Chairman extended his appreciation for the contribution made to the Panel by Mr Couper and extended the Panel's best wishes to him for a happy and healthy retirement

Chairman