

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE PANEL held in CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN on Tuesday, 28 September 2010.

PRESENT: Councillor T D Sanderson – Chairman.  
Councillors M G Baker, P L E Bucknell,  
K J Churchill, T V Rogers and  
C M Sanderson.

APOLOGY An apology for absence from the meeting was submitted on behalf of Councillor S J Criswell.

### 13. MINUTES

The Minutes of the meeting of the Panel held on 30<sup>th</sup> June 2010 were approved as a correct record and signed by the Chairman.

### 14. MEMBERS' INTERESTS

No declarations were received.

### 15. VALUE FOR MONEY CONCLUSION 2009/10

*(Mrs L Sandford and P Winrow of Grant Thornton UK LLP, the Council's External Auditors, were in attendance for consideration of this item).*

With the assistance of a report by the Head of Law, Property & Governance (a copy of which is appended in the Minute Book), the Panel considered the results of the Council's Value for Money conclusion which had been undertaken by Grant Thornton UK LLP, the Council's External Auditors.

Having been advised of the outcome of the assessment which was intended to determine whether proper arrangements were in place to secure economy, efficiency and effectiveness in the use of resources, the Panel were acquainted with the key findings and actions required by the Council and noted the "unqualified conclusion" reached by the External Auditors. Whereupon, and following a number of questions of clarification by Panel Members on specific aspects of the report, it was

#### RESOLVED

- a) that the outcome of the review be noted; and
- b) the action plan as appended to the report now submitted be endorsed.

## **16. DEMOCRATIC STRUCTURE WORKING GROUP**

A report by the Structure Review Working Group was submitted (a copy of which is appended in the Minute Book) summarising the findings of a review by the Group on the membership of the Employment Panel and proposals to introduce the title of Honorary Aldermen and Alderwomen to past members of the Council and Honorary Freeman and Freewomen to local citizens.

In considering the Group's conclusions, the Panel noted that the present arrangements for the Employment Panel were considered to be operating satisfactorily and that no change was being proposed. However the Panel noted that the current arrangements for ELAG were cumbersome and would benefit from a reduction in members, together with a change in scheduling such that future meetings were held approximately 4 weeks before the Employment Panel.

With regard to the introduction of honorary titles, the Panel were advised of the Working Group's recommendations and the proposed award of a modest memento to recognise qualifying individuals.

Whereupon and having noted that the outcome of the review of changes to the democratic structure would be considered at the Council meeting in November 2010, it was

### **RECOMMENDED**

that the recommendations of the Democratic Structure Review Working Group as set out in the report now submitted be endorsed for submission to the Council.

## **17. FORMAT OF THE COUNCIL'S EXECUTIVE - THE CHOICE OF EXECUTIVE LEADER OR ELECTED MAYOR**

The Panel considered a report by the Head of Democratic and Central Services (a copy of which is appended in the Minute Book) concerning the choice of executive arrangements for the District Council for implementation by May 2011.

By way of background, Members were advised that the Local Government and Public Involvement in Health Act 2007 had introduced significant changes to the Leader and Cabinet system and had narrowed the choice of executive arrangements open to local authorities to –

- an elected Mayor and Cabinet appointed by him; or
- an Executive Leader appointed by the Council from its membership and a Cabinet appointed by that Leader.

Having been advised of the outcome of a consultation exercise on the choice of Leader or Mayor which indicated a clear preference for an Executive Leader, Members were advised that the consultation exercise had been a legislative requirement and had been conducted at minimum cost yet managed to reach a wide audience.

Following clarification as to the roles of Mayor / Council Chairman and having noted that the Cabinet had already endorsed the proposals,

the Corporate Governance Panel

#### RECOMMEND

that Council approves the proposals for a change in governance arrangements to an Executive Leader and Cabinet Executive as set out in Appendix B of the report now submitted and in accordance with the Local Government and Public Involvement in Health Act 2007.

#### **18. ANNUAL REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT**

The Panel received and noted a report by the Audit & Risk Manager (a copy of which is appended in the Minute Book) of the outcome of a review of the effectiveness of the system of internal audit. In support of the key elements of the review, details of the Council's current risk assessment matrix and the 2009/10 Annual Internal Audit Report were included.

In considering the Annual Report produced by the Councils Internal Audit Service, Members sought and were provided with further information concerning overpayments for building and civil engineering contracts and the implementation of a system for verifying employees on the payroll. Whereupon, it was

#### RESOLVED

that the information contained in the report be noted and taken into account when considering the Corporate Governance statement later on the agenda.

#### **19. GOVERNANCE STATEMENT**

Consideration was given to a report by the Head of Law, Property and Governance (a copy of which is appended in the Minute Book) on the outcome of the annual review of the Council's governance arrangements.

The Panel discussed the Governance Statement, which had been prepared on behalf of the Chief Executive and the Leader of the Council to summarise the corporate governance work carried out in 2009/10 and identified matters to be addressed during 2010/11. In considering the detailed content of the statement, comments were made with regard to the future of the current standards regime for councillors and the annual treasury management strategy. Whereupon it was

#### RESOLVED

that the Governance Statement signed by the Chief Executive and Leader of the Council on behalf of the Council for 2010 be endorsed and countersigned by the Chairman of the Panel.

## **20. APPROVAL FOR PUBLICATION OF THE 2009/10 ACCOUNTS**

*(Mrs L Sandford and P Winrow of Grant Thornton UK LLP, the Council's External Auditors were in attendance for consideration of this item).*

The Panel considered the draft accounts for 2009/10 (a copy of which is appended in the Minute Book) which had been revised following an audit of the Council's financial statements for the year. Attention having been drawn to the issues which had been identified by the External Auditors and the subsequent changes which had been made to the Council's Accounts, Mr P Winrow reported that it was anticipated that an unqualified opinion would be provided on the accounts.

In discussing the Auditor's report, comments were made with regard to the issues raised in relation to the revaluation of the Council's Leisure Centres, together with the financial information provided. In response, the Panel were advised that the main concern related to the fact that only three of the five centres had been re-valued and that as part of the transition to IFRS the Council should ensure that it thoroughly reviews the accounting treatment of fixed assets. Whereupon and having considered the content of the Council's letter of representation which outlined the action taken to ensure the accuracy of the Council's financial records, it was

RESOLVED

- a) that the Letter of Representation as set out at Annex A to the report now submitted be approved and the Director of Commerce and Technology be authorised to sign it on behalf of the Council;
- b) that the Auditor's reports and appended Action Plans for dealing with the matters highlighted be noted;
- c) that the revised set of accounts as set out at Annex C of the report now submitted be approved for publication.

## **21. EXCLUSION OF THE PUBLIC**

RESOLVED

that the public be excluded from the meeting because the business to be transacted contains exempt information relating to individuals.

## **22. COUNCIL TAX COMPLAINT : AWARD OF COMPENSATION**

The Panel received and noted a report by the Head of Customer Services (a copy of which is appended in the annex to the Minute Book) on a complaint against the Council by a member of the public with regard to the closure of their council tax account and the terms of a compensatory payment approved as a consequence thereof.

Chairman