

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE PANEL held in Civic Suite 0.1B, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 7 December 2011.

PRESENT: Councillor E R Butler – Chairman.

Councillors M G Baker, K J Churchill,
R S Farrer, J A Gray, A R Jennings and
P G Mitchell.

21. MINUTES

The Minutes of the meeting of the Panel held on 2nd November 2011 were approved as a correct record and signed by the Chairman.

22. MEMBERS' INTERESTS

No declarations were received.

23. REVIEW OF HOUSING BENEFIT FRAUD INVESTIGATION ACTIVITY AND THE COUNCIL'S WHISTLEBLOWING POLICY

At 6:50pm, during discussion on this item, Councillor A R Jennings took his seat at the meeting.

Consideration was given to a joint report by the Head of Customer Services and Audit and Risk Manager (a copy of which is appended in the Minute Book) summarising the activity of the Benefits Fraud Investigation Team over the 2010/11 financial year and detailing the outcome of the annual review of the whistleblowing policy and the type and number of whistleblowing matters reported.

In noting the activity undertaken by the Housing Benefit Fraud Investigation Team for 2010/11, the Panel received details of new work areas undertaken by the Team which included the collection of debts arising from benefit overpayments, partnership working with employment and recruitment agencies and the recovery of social housing unlawfully sub-let or left empty by social tenants for long periods of time. In response to a question raised by a Member, the Panel received clarification on the performance levels of the Team and noted that the service provided was cost neutral to the Council.

With regard to the review of the whistleblowing policy and guidance, the Panel were informed that only minor changes had been required to reflect changes to the Council's Senior Management structure and that 23 allegations had been received through the various whistleblowing channels over the past year.

RESOLVED

- (a) that the work undertaken in respect of benefit fraud be

noted and the Team congratulated on their effectiveness; and

- (b) that it be noted the annual review of the whistleblowing policy and procedure has been undertaken with only minor changes being required to reflect changes to the Council's Senior Management structure.

24. REVIEW OF THE ANTI-FRAUD AND CORRUPTION STRATEGY

By means of a report by the Audit & Risk Manager (a copy of which is appended in the Minute Book) the Panel was acquainted with the outcome of the annual review of the Council's Anti-Fraud and Corruption Strategy. Given that only minor changes had been required, the Panel

RESOLVED

- (a) that the Anti-Fraud and Corruption Strategy as appended to the report now submitted be approved; and
- (b) that further reviews of the Anti-Fraud and Corruption Strategy be undertaken on a triennial basis unless it is considered that an earlier review is required.

25. NATIONAL FRAUD INITIATIVE

With the aid of a report by the Audit and Risk Manager (a copy of which is appended in the Minute Book) the Panel received background information on the National Fraud Initiative, together with the work undertaken by the Council on the potentially fraudulent matches in data which had been provided by the Audit Commission. Members were informed that the exercise was conducted by the Council every two years.

In noting that the results of the data matching exercise had indicated a higher number of fraud cases and errors when compared to the previous exercise, the Panel were informed that two thirds of these cases related to the concessionary fares scheme which had subsequently been referred to Cambridgeshire County Council for investigation. In addition, the Panel were advised that whilst the number of matches identified by the Audit Commission had been high, the data matching exercise was not particularly sophisticated and largely related to minor mismatches in data. In noting that a total of 55 days across the authority had been spent reviewing and investigating the matches identified, it was

RESOLVED

that the work undertaken by the Council in respect of the 2010 National Fraud Initiative exercise be noted by the Panel.

26. APPROVAL FOR PUBLICATION OF THE 2010/11 ACCOUNTS

At this point, (7.20pm) Councillor J A Gray took his seat at the meeting.

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

With the aid of a report prepared by the Head of Financial Services (a copy of which is appended in the Minute Book) the Panel were apprised with the processes for finalising and publishing the Council's accounts for 2010/11.

In introducing the report, the Head of Financial Services reported upon the efforts made by his staff and the Council's external auditors to complete the process for finalising the Council's accounts. The Panel were informed that delays had arisen which were attributable to the implementation of new International Financial Reporting Standards, which had required significant changes to be made to the way capital items were treated within the accounts. Owing to the fact that the Council had a wide variety of assets and the complexity of some of the building leases, a considerable amount of additional work had been required to backdate changes up to March 2009 and further, with one case having been investigated back to 1972. Additionally, the Panel were informed that the Council's new external auditors had commenced their work with the Council this year with a significant amount of time being spent explaining the Council's systems and practices and responding to challenges on treatments which had been accepted by the previous auditor. Furthermore, the Panel were advised by Mr C McLaughlin of PricewaterhouseCoopers LLP that new, more onerous, auditing standards had been introduced that year. Finally, it was reported by the Head of Financial Services that unforeseen staff issues had further contributed towards the delays.

The Panel received the external auditor's draft report relating to the 2010/11 audit and received an update from Mr C McLaughlin on the outstanding audit work required to be undertaken before the accounts could be finalised. Members have confirmed to the external auditor that no changes to the Council's systems and practices would be required in respect of the risk of fraud.

Owing to the delays with the publication of the accounts, the Panel concurred with a suggestion to amend the Annual Governance Statement. Proposed changes to the Statement were tabled at the meeting by the Head of Financial Services (a copy of which is also appended in the Minute Book).

Having reviewed the content of the draft Statement of Accounts, the Panel were informed that at least one change would be required. Members received assurances that work to the accounts would be finalised early in the New Year and acknowledged the need for the process to be reviewed in the ensuing year. In doing so, the Panel

RESOLVED

- (a) that amendments to the Annual Governance Statement be made to reflect the delay with the publication of the accounts;
- (b) that no changes to the Council's systems and practices in respect of the risk of fraud would be required;

- (c) that the Auditor's draft report appended as Annex A to the report now submitted be noted;
- (d) that approval of any further amendments to the Statement of Accounts be delegated to the Managing Director (Resources), following consultation with the Chairman of the Panel and the external auditor, subject to there being no "material" change and on the proviso that Panel Members would have an opportunity to comment or ask questions on the completed accounts and amendments to the accounting policies prior to the approval process;
- (e) that the Managing Director (Resources) and the Chairman of the Panel be authorised to sign the Letter of Representation as appended to Annex A of the report now submitted on behalf of the Council, with any changes being delegated to the Managing Director (Resources) following consultation with the Chairman of the Panel and the external auditor; and
- (f) to note that all issues raised by the external auditor to complete the process for finalising the 2010/11 accounts would be addressed by Officers and that a report outlining changes to the final accounts process be submitted to the Panel's March 2012 meeting.

27. ANNUAL REVIEW OF THE RISK MANAGEMENT STRATEGY

With the aid of a report by the Audit and Risk Manager (a copy of which is appended in the Minute Book) the Panel's attention was drawn to amendments to the Risk Management Strategy which had been proposed to reflect the current established working practices employed by the Council. Whereupon, it was

RESOLVED

- (a) that the risk appetite for the Council be set as "high", with any health and safety risks set as "low"; and
- (b) that the Risk Management Strategy as appended to the report now submitted be approved.

28. REVIEW OF REGULATION OF INVESTIGATORY POWERS ACT (RIPA) POLICIES AND PROCEDURES

Consideration was given to a joint report by the Heads of Legal and Democratic and Customer Services (a copy of which is appended in the Minute Book) proposing amendments to the Council's Regulation of Investigatory Powers Act (RIPA) Covert Surveillance Policy and Procedure and the content of a new Communications Data Policy and Procedure.

Having been informed that the review had been prompted following the outcome of an inspection by the Office of the Surveillance Commissioner, guidance issued by the Home Office and changes in

the operational structure of the Council, the Panel

RESOLVED

that Council be recommended to

- (a) endorse the amendments to the RIPA Covert Surveillance Policy and Procedure as appended to the report now attached;
- (b) endorse the content of a new RIPA Communications Data Policy and Procedure as appended to the report now attached; and
- (c) subject to recommendations (a) and (b) above, approve the consequential amendments to the constitutional functions of those Officers identified within the report now submitted.

29. POLICY ON THE MANAGEMENT OF UNREASONABLE COMPLAINANT BEHAVIOUR

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 gave consideration to the content of a revised Policy on the Management of Unreasonable Complainant Behaviour which had been prompted following the issue of guidance by the Local Government Ombudsman. Whereupon, it was

RESOLVED

that, subject to minor textual amendments, the Policy on the Management of Unreasonable Complainant Behaviour be endorsed by the Panel.

30. TRAINING OF PANEL MEMBERS

The Panel considered a report by the Head of Financial Services (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 in 2012. In doing so, it was agreed that any future training requirements would be addressed by Members of the Panel on a meeting by meeting basis.

Chairman