
Corporate Governance Panel

Report of the meeting held on 28th March 2012

Matter for Decision

20. COUNCIL CONSTITUTION – FURTHER UPDATE

By reference to a joint report by the Heads of Legal & Democratic and Financial Services (a copy of which is reproduced as an Appendix hereto) consideration was given to proposed amendments to the Codes of Financial Management and Procurement, together with a number of other constitutional issues relating to Council Procedure Rules and the Terms of Reference for the Corporate Governance Panel.

Having regard to the Code of Procurement, Members considered a proposal to change the procurement thresholds but unanimously agreed that they should remain as they are at present. The report reproduced hereto has been amended to reflect the Panel's views with the relevant section now omitted from the report. It was felt that reducing the thresholds will result in an increase in Officer time obtaining three quotes for any goods/services procured between the value of £1,001 and £5,000.

In respect of the proposed changes relating to public speaking at Development Management Panel, Members discussed the last sentence of the proposed wording of Annex (iii) to the Council Procedure Rules (Standing Orders). The Panel has agreed that it should be at the discretion of the Chairman of the Development Management Panel whether County Councillors should be entitled to speak.

Following a review of the Panel's own effectiveness held on 29th February 2012 (Item No. 30 of the Report refers) the Terms of Reference for the Panel was reviewed by Members at an informal meeting held on 7th March 2012. Panel Members felt that clarity was needed on their role.

Finally, the Panel considered whether the Council should retain provision for a State of the District Debate in the Council Procedure Rules. Members agreed that this provision should remain within the Constitution.

Given that the changes require amendments to be made to the Council's Constitution, the Panel

RECOMMEND

that the Council

- (a) endorse the amendments to the Codes of Financial Management and Procurement as appended at Annexes A and B to the report attached;**
- (b) approve amendments to Annex (iii) to the Council Procedure Rules (Standing Orders) as indicated in paragraph 3.6 of the report appended hereto subject to the inclusion of the words “and County Council Members” after the words “Other Members” in the third bullet point and by deleting the final sentence of paragraph 3.6;**
- (c) adopt the revised Terms of Reference for the Corporate Governance Panel as set out in Annex C to the report now submitted; and**
- (d) retain provision for a State of the District Debate in the Council Procedure Rules.**

Matters for Information

21. NEIGHBOURHOOD FORUMS WORKING GROUP

A presentation was delivered by Councillor S J Criswell, Chairman of the Overview and Scrutiny Panel (Social Well-Being) on the investigations undertaken by the Working Group appointed by the Panel to undertake a review of the Neighbourhood Forums in Huntingdonshire.

The Corporate Governance Panel welcomed the work undertaken by the Overview and Scrutiny Panel (Social Well-Being) and made a number of minor suggestions to the draft Constitution for the proposed Local Joint Committees (LJC). The suggestions proposed intend to provide clarification on the membership of the LJCs and the terms of Town and Parish Council representation at meetings.

Members of the Panel questioned a number of matters including the proposals for “twin hatters” to have two votes each and the level of public attendance hoped to be generated at meetings. The Panel also expressed some reservations over the likely take up of Town and Parish Councils assisting with the servicing of LJC meetings and made comment that the setting of policing priorities should remain at these meetings.

Subject to these comments, the Panel has endorsed the Overview and Scrutiny Panel's (Social Well-Being) proposals in respect of revised boundaries, composition, voting and constitutional terms for the proposed LJs. It is intended that a consultation exercise will commence with the Town and Parish Councils and Partners, once Cabinet have had sight of the proposals thus far.

22. TOWN AND PARISH COUNCIL CHARTER

The Panel received an update on the development of a Town and Parish Council Charter, which is being developed in conjunction with Cambridgeshire County Council. The purpose of the Charter is to encourage Town and Parish Councils to become more active participants in localism and sets out how the three tiers of local government can work together on various issues. The Charter also explains what to expect from each authority and identifies what support and assistance will be provided to one another. Details of the "Community Right to Challenge" and the "Community Right to Bid" will be included within the document, together with the procedure for dealing with complaints about Town and Parish Councillors, the management of Community Infrastructure Levy contributions and how to deal with conflict resolution. An event was held in January 2012 to elicit the views of Town and Parish Councils. Those in attendance unanimously expressed their support for the development of a Charter.

The Panel has received assurances that all Members will be involved in the process before the Charter is approved by the District and County Council Cabinet at their meetings in September 2012. It was also confirmed that the Cambridgeshire and Peterborough Association of Local Councils are playing an active part in the process.

23. GRANT CERTIFICATION 2010/11

The Panel has received and noted a report from the external auditor detailing the certification of specific grants received by the Council in 2010/11. Having had their attention drawn to three areas of concern relating to the processing of benefits claims, which primarily related to administrative errors, the Panel has questioned whether the audit had demonstrated value for money, given the scale of the fees charged by the auditors in comparison to the value of errors identified. The auditor reported that audit practices are tightly prescribed and that they were unable to exercise discretion in such cases.

24. UPDATE ON 2010/11 FINAL ACCOUNTS

The Managing Director (Resources) delivered an update on the 2010/11 accounts which were yet to be approved for publication. Daily meetings are being held with the Head of Financial Services and Accountancy Manager. A Financial Accounts Specialist has been employed to assist with the finalisation process. Panel Members are expecting to have sight of the accounts in May 2012 and delegated

authority has been given to the Chairman of the Panel to sign off the accounts. An explanation was delivered on the reasons for the delay and a number of lessons have been learnt from the process which will be taken into account when finalising the following year's financial statements.

The Panel expressed strong concerns over the delay in the publication of the accounts. It was confirmed that there will be no fine imposed upon the Council for the lateness, but that discussions are ongoing with the auditors about their fees for undertaking this additional work. The Panel questioned the level of additional costs incurred by the Council for completing the process, particularly now that a Financial Accounts Specialist has been employed to assist with the process.

25. ANNUAL GOVERNANCE STATEMENT 2010/11 - ADDENDUM

Owing to the delay with the publication of the 2010/11 accounts, the Panel endorsed changes to add into the Annual Governance Statement 2010/11. This included a further issue for consideration relating to the adequacy of the arrangements for timely completion of the Council's final accounts.

26. CLOSURE OF 2011/12 ACCOUNTS

Pursuant to Item Nos 24 and 25 above, the Panel was informed of fundamental and procedural changes that will be implemented to assist with the finalisation of the 2011/12 accounts. The process to begin the completion of these accounts has now commenced.

27. PROGRESS REPORT ON ISSUES IDENTIFIED IN THE ANNUAL GOVERNANCE STATEMENT

Progress made to date in respect of the achievement of the action plans supporting the Annual Governance Statement and the Council's improvement plan was noted by the Panel. It was confirmed that each of the actions contained within the plan will be completed by the end of the Municipal Year.

28. INTERNAL AUDIT SERVICE: INTERIM PROGRESS REPORT

The Panel was acquainted with the progress by the Internal Audit Service against the Audit Plan for 2011/12 and noted the performance standards achieved. In respect of the latter, the Panel questioned why no view was expressed by the external auditors on the Internal Audit Service. The auditors confirmed that they are yet to undertake an audit of the service but will be reviewing this at a later date.

Disappointment was expressed by Members that only 53% of agreed audit actions are being introduced on time. The Panel has further questioned the target figure of 60% and expressed the view that a more challenging target for introducing agreed audit actions should be set.

The Panel received an update on progress with issues identified in previous reports and expressed strong views over the risk to the authority with regard to the current processes and practices employed by the Council in respect of the Code of Procurement and Establishment Control. Having regard to the former, it was agreed that a report will be submitted to the September meeting of the Panel outlining the number of tenders and quotations handled by the Council over a year's period, indicating those that have not been handled in accordance with procurement rules. Assurances were however delivered that a formal procedure was in place which is intended to ensure there are no breaches occurring in respect of tenders and quotations received that exceed the value of £50,000. With regard to the latter, the Managing Director (Resources) has undertaken to ensure that Heads of Service are confirming the establishment of their respective service areas.

Finally, the Panel expressed their concerns over the service delivery targets set for the Internal Audit Service and made comment that the targets could be tightened up to produce a quicker work turnaround. The Panel was informed that the matter has previously been subject to review by the Audit and Risk Manager.

29. RISK REGISTER

The Panel has noted changes made to the Risk Register for the period 1st September 2011 to 13th March 2012 inclusive. The Panel questioned the methodology used to score risks and received clarification on issues relating to the Council's Business Continuity Plan and Voluntary Redundancy Programme.

30. REVIEW OF THE EFFECTIVENESS OF THE CORPORATE GOVERNANCE PANEL

The outcome of an exercise undertaken by the Panel to review its own effectiveness was noted by Members. The Panel requested Chief Officers Management Team to ensure that any significant impact on the Council's systems of corporate governance is properly considered when any Officer or Member decisions are being made. Additionally, the Panel endorsed a recommendation that effectiveness reviews should be undertaken by all Panels and Committees of the Council, with the results of each review to be submitted to the Corporate Governance Panel for information purposes.

31. TRAINING OF PANEL MEMBERS

Members of the Panel received details of their anticipated work programme for 2012 and in doing so agreed to address any future training requirements on a meeting by meeting basis.

E R Butler
Chairman