

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, 28 March 2012.

PRESENT: Councillor E R Butler – Chairman.

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

31. MINUTES

Having received assurances that Councillor A R Jennings had now been included within the list of those present, the Minutes of the meeting of the Panel held on 7th December 2011 were approved as a correct record and signed by the Chairman.

32. MEMBERS' INTERESTS

Councillors K J Churchill and R S Farrer declared personal interests in Minute No. 33 by virtue of their membership of Cambridgeshire County Council.

33. NEIGHBOURHOOD FORUMS WORKING GROUP

(Councillor S J Criswell, Chairman of the Overview and Scrutiny Panel (Social Well-Being) was in attendance for consideration of this item and declared a personal interest by virtue of his membership of Cambridgeshire County Council).

By way of a report by the Overview and Scrutiny Panel (Social Well-Being) (a copy of which is appended in the Minute Book) the Panel were apprised with the outcome of investigations undertaken by the Working Group appointed by the Panel to review the Neighbourhood Forums in Huntingdonshire.

In introducing the report, Councillor S J Criswell, Chairman of the Overview and Scrutiny Panel (Social Well-Being) reported upon the background to the establishment of the Neighbourhood Forums, which had emerged following the Council's Democratic Structure Review in 2009. The existing arrangements had been based upon the policing boundaries and a review of the current arrangements had been prompted given the perceived view that the Forums were not operating as effectively as they might. Councillor S J Criswell reported that the Working Group had deliberated at some length on a number of factors with a view to ensuring that any new model proposed for the District would meet local needs.

Having welcomed the work undertaken by the Overview and Scrutiny Panel (Social Well-Being), Panel Members made a number of minor suggestions to the draft Constitution for the proposed Local Joint Committees (LJC). The suggestions proposed intended to provide

clarification on the membership of the LJsCs 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.

In noting that a consultation exercise would commence with the Town and Parish Councils and Partners after Cabinet have had sight of the proposals thus far, it was

RESOLVED

that, subject to the comments outlined above, the Overview and Scrutiny Panel's (Social Well-Being) proposals in respect of revised boundaries, composition, voting and constitutional terms for the proposed Local Joint Committees be endorsed for submission to the Cabinet.

34. TOWN AND PARISH COUNCIL CHARTER

The Panel received an update from Mr D Smith, Healthy Communities Manager on the development of a Town and Parish Council Charter which was being developed in conjunction with Cambridgeshire County Council. Members were informed that the purpose of the Charter would be to encourage Town and Parish Councils to become more active participants in localism and would also set out how the three tiers of local government could work together on various issues. The Charter also explains what to expect from each authority and identifies what support and assistance would be provided to one another. Details of the "Community Right to Challenge" and the "Community Right to Bid" would also 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 had been held in January 2012 to elicit the views of Town and Parish Councils. Those in attendance at the event unanimously expressed their support for the development of a Charter.

In response to a question raised by a Member, the Panel received assurances that all Members would be involved in the process before the Charter was 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 were playing an active part in the process.

35. GRANT CERTIFICATION 2010/11

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

The Panel received and noted a report by the Head of Financial

Services (a copy of which is appended in the Minute Book) detailing the certification of specific grants received by the Council in 2010/11.

Mr C McLaughlin of PricewaterhouseCoopers LLP drew the Panel's attention to three areas of concern relating to the processing of benefits claims which primarily related to administrative errors. Members 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. Mr C McLaughlin responded by informing the Panel that audit practices were tightly prescribed and that they were unable to exercise discretion in such cases.

RESOLVED

that the content of the Council's Certification Report 2010/11, together with the action taken to address the issues raised, be received and noted.

36. UPDATE ON 2010/11 FINAL ACCOUNTS

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

The Panel received an update from the Managing Director (Resources) on the 2010/11 accounts which were yet to be approved for publication. The Panel were advised that daily meetings with the Head of Financial Services and Accountancy Manager were being held and that a Financial Accounts Specialist had been employed to assist with the finalisation process. Having informed the Panel that they would have sight of the accounts in May 2012 and having reminded them that they had approved delegated authority to the Chairman of the Panel to sign off the final accounts, the Managing Director (Resources) delivered an explanation on the reasons for the delay and indicated that a number of lessons had been learnt from the process. Assurances were delivered that these lessons would be taken into account when finalising the following year's financial statements.

Members of the Panel expressed strong concerns over the delay in the publication of the accounts. In response to a question raised by a Member, it was confirmed that there would be no fine imposed upon the Council for the lateness, but that discussions were currently ongoing with the auditors about their fees for undertaking 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 had been employed to assist with the process.

37. ANNUAL GOVERNANCE STATEMENT 2010/11 - ADDENDUM

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 gave consideration to a proposal to amend the Annual Governance Statement 2010/11. The changes proposed related to the delay with the publication of the 2010/11 accounts which intended to ensure that attention would be given to the adequacy of the arrangements for

timely completion of the Council's final accounts. Whereupon, it was

RESOLVED

that changes to add into the Annual Governance Statement 2010/11 be endorsed by the Panel as outlined within paragraph 2.1 of the report now submitted.

38. CLOSURE OF 2011/12 ACCOUNTS

At this point during the meeting (8:00pm) Councillor A R Jennings took his seat at the meeting.

Pursuant to Minute Nos 11/36 and 11/37, the Panel gave consideration to a report by the Head of Financial Services (a copy of which is appended in the Minute Book) outlining the changes that would be implemented to assist with the finalisation of the 2011/12 accounts. Having had their attention drawn to fundamental and procedural changes that would be implemented within the process, it was

RESOLVED

that the action taken by the Head of Financial Services in respect of the closure of the final accounts 2011/12 be noted by the Panel.

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

With the aid of a report by the Corporate Policy and Performance Manager (a copy of which is appended in the Minute Book) the Panel were apprised with progress made to date in respect of the achievement of the action plans supporting the Annual Governance Statement and the Council's improvement plan.

In response to a question raised by a Member, it was confirmed that each of the actions contained within the plan would be completed by the end of the Municipal Year.

RESOLVED

that progress made to date with regards to the implementation of the action plan arising from the Annual Governance Statement and the Council's improvement plan be noted.

40. INTERNAL AUDIT SERVICE: INTERIM PROGRESS REPORT

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

The Panel received and noted a report by the Audit and Risk Manager (a copy of which is appended in the Minute Book) summarising the progress made to date in respect of the delivery of the Annual Audit Plan 2011/12 and the performance standards achieved.

Having regard to the performance of the service, the Panel questioned the reasons why no views had been expressed by the external auditors on the Internal Audit Service. Mr C McLaughlin confirmed that an audit of the service would be undertaken and that work in this respect had been scheduled for a later date.

Members of the Panel expressed their disappointment that only 53% of agreed audit actions were being introduced on time. The Panel further questioned the target figure of 60% and expressed the view that a more challenging target for introducing agreed audit actions should be set for the Council.

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, the Panel agreed that a report should 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 which have not been handled in accordance with procurement rules. Mr C Meadowcroft, Head of Legal and Democratic Services delivered assurances that a formal procedure was in place which intends to ensure that there are no breaches occurring in respect of tenders and quotations received which exceed the value of £50,000. Having regard to Establishment Control, the Managing Director (Resources) undertook to ensure that Heads of Service were confirming the establishment of their respective service areas.

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

RESOLVED

- (a) that Panel Members' concerns on the content of the report now submitted be noted; and
- (b) that a further report on procurement practices employed by the Council over a year's period be submitted to the Panel at its September 2012 meeting.

41. RISK REGISTER

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 the period 1st September 2011 to 13th March 2012 inclusive.

Having questioned the methodology used to score risks and received clarification on issues relating to the Council's Business Continuity Plan and Voluntary Redundancy Programme, the Panel

RESOLVED

that the contents of the report now submitted be noted.

42. REVIEW OF THE EFFECTIVENESS OF THE CORPORATE GOVERNANCE PANEL

Consideration was given to a report by the Head of Financial Services (a copy of which is appended in the Minute Book) detailing the outcome of an exercise undertaken by the Panel to review its own effectiveness. Whereupon, it was

RESOLVED

- (a) that the results of the second stage of the review of the effectiveness of the Corporate Governance Panel as indicated within Annex A of the report now submitted be noted;
- (b) that Chief Officers Management Team be requested to ensure that any significant impact on the Council's systems of corporate governance are properly considered when any Officer or Member decisions are being made; and
- (c) that effectiveness reviews 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.

43. COUNCIL CONSTITUTION - FURTHER UPDATE

Consideration was given to a joint report by the Heads of Legal & Democratic and Financial Services (a copy of which is appended in the Minute Book) proposing 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. Members formed the view that reducing the thresholds would 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 concurred 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 (Minute No. 11/42 above refers) the Terms of Reference for the Panel were subject to review by Members at an informal meeting held on 7th March 2012. Panel Members expressed the view that clarification on their role was needed.

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 Code of Financial Management as appended at Annex A to the report now submitted;
- (b) endorse the amendments to the Code of Procurement as appended at Annex B to the report, subject to there being no change made to the procurement thresholds;
- (c) 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;
- (d) adopt the revised Terms of Reference for the Corporate Governance Panel as set out in Annex C to the report now submitted; and
- (e) retain provision for a State of the District Debate in the Council Procedure Rules.

44. 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