

HUNTINGDONSHIRE DISTRICT COUNCIL

GOVERNANCE STATEMENT

Huntingdonshire District Council is responsible for ensuring that –

- its business is conducted in accordance with the law and proper standards; and
- public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

In carrying out these duties, Members and employees are responsible for putting in place proper arrangements for governance of the Council's affairs and the stewardship of the resources at their disposal. To that end, the Council has approved and adopted a Code of Governance, which reflects the principles and requirements of the Chartered Institute of Public Finance and Accountancy/Society of Local Authorities Chief Executives ("CIPFA/SOLACE"). The Code is published on the Council's website at: [Huntingdonshire District Council - Code of Corporate Governance](#). Hard copies are available on request from the Policy & Performance Manager.

The Code describes the way in which the Council will carry out its functions and how it complies with the principles of openness, integrity and accountability. The Code applies to elected Members and employees alike, and they are reflected in the Council's working procedures and processes in the interests of establishing and maintaining public confidence.

The Council's Code of Governance recognises that effective governance is achieved through the following **core principles**:

- focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for Huntingdonshire.
- Members and employees working together to achieve a common purpose with clearly defined functions and roles.
- promoting the values of the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- developing the capacity and capability of Members and employees to be effective.
- engaging with local people and other stakeholders to ensure robust local public accountability.

In the Code these six core principles have a number of **supporting principles** which, in turn, have **specific requirements**. These principles and requirements apply across the work of the Council and define the Governance Framework.

The Governance Framework

A Governance Framework has been in place for the year ended 31st March 2012 and up to and including the date of approval of the statement of accounts.

The Council's powers and duties of Council, Committees and Panels require the Corporate Governance Panel (among other things) to –

- ensure that the Council has a sound system of internal Audit which facilitates the effective exercise of the Council's functions including arrangements for the management of risk; and
- consider the Council's Code of Corporate Governance and approve the annual statement in that respect.

In turn the Council's Head of Legal, Democratic Services and Monitoring Officer has been given responsibility for –

- overseeing the implementation and monitoring the operation of the Code;
- reviewing the operation of the Code in practice; and
- reviewing and reporting to the Corporate Governance Panel on compliance with the Code and any changes that may be necessary to maintain it and ensure its effectiveness in practice.

The Council's Chief Financial Officer (Managing Director Resources) is responsible for the authority's financial management arrangements and in line with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)

The key elements of the systems and processes that comprise the authority's governance arrangements are as follows:

1. Communicating vision and purpose

The Council has in place a Community Strategy, "Growing Our Communities", which sets out a vision, shared with partners, for Huntingdonshire, published on the Council's website at http://www.huntingdonshire.gov.uk/sustainable_community_strategy

The Strategy was reviewed and re-adopted by the Council in September 2008. A more comprehensive review is currently being undertaken (Autumn of 2012). This review has been branded as 'Huntingdonshire Matters' and involves a number of

our stakeholders. In addition the Council is currently reviewing the Council's Corporate Plan . The corporate plan will consist of a suite of documents, the overarching document being the Leadership Direction document which identifies key strategic Themes and Aims (this is due to be adopted at Council in September 2012). This is supported by a Council Delivery Plan, MTP plan and Service Plans. The Council Delivery Plan is in the process of being drafted. In addition the Council's performance management framework is being reviewed and amended to reflect the changes to these suite of documents

The Council's Communications & Marketing and Consultation & Engagement Strategies are used to promote and guide communications and engagement with local residents and to ensure that the vision and supporting plans are shared with local residents and other stakeholders.

2. Roles & responsibilities

The Council's Constitution provides a comprehensive explanation of the Council's administrative and managerial processes. Designed to illustrate the statutory division between executive and non-executive roles and responsibilities within the Council, the Constitution also defines the relationship between the Council and local residents by means of a series of articles, procedure rules and codes of practice.

Articles and tables list the functions of the Executive and Scrutiny Committee arrangements as defined by the Local Government Act 2000 and explain how the Council has delegated its non-executive decision making to Committees and Panels. The role of Statutory Officers is defined, together with the management structure of the authority, and the Scheme of Delegation contains a comprehensive summary of all decision making powers delegated to Officers by the executive and non-executive parts of the Council. A series of procedure rules demonstrate clearly the inter-relationship between those various elements. Changes brought about by a restructuring of Senior Management has resulted in a review of the Scheme of Delegation. This is noted in Section 4.

A Member-led cross party review of the Council's democratic arrangements was undertaken in 2008/09. This evaluated the Council's democratic performance since the adoption of the current structure, the implications of change necessitated by the Local Government and Public Involvement in Health Act 2007 and the emerging themes of strengthening local democracy in recent Government consultation documents.

The original review concluded that the existing structure had worked well since its inception and the principles of the executive/scrutiny split had become embedded in the organisation. Nevertheless, the Council agreed various changes to promote local democracy and community engagement in the process, involving –

- a new look to Council meetings with headline debates, Cabinet 'white paper' proposals, monitoring of LAA performance, public question time and evening meetings;
- The Council moved to the Executive Leader model at the start of the 2011/12 Municipal Year;
- restructuring of the role of the Deputy Leader to improve support for the Leader and other executive councillors although this position has subsequently re-assumed portfolio responsibilities ;
- a move to evening Cabinet meetings to assist executive councillors in full time employment;
- a refocusing of overview and scrutiny to enhance scrutiny of LSP priorities, partners and general well-being;
- co-option of independent persons to Overview and Scrutiny Panels to promote community engagement and widen experience;
- establishment of neighbourhood forums to promote community local democracy and community engagement;
- role descriptions for holders of special responsibility allowances, all councillors and group leaders; and
- signing of the IDeA Member Development Charter to enhance support for elected councillors.

A review of the changes to the Council's democratic structure, which had been in place since May 2009 was undertaken in September 2010 and concluded that there should be no change to the democratic structure .

In July 2012 and following a review by an Overview & Scrutiny Panel, the Cabinet approved a model Constitution for new Local Joint Committees and agreed to undertake a trial pilot in the north of the District as a potential replacement for Neighbourhood Forums.

Cabinet

Chaired by the Executive Leader of the Council, the Cabinet has responsibility for all executive functions of the authority. Having moved to monthly evening meetings following the review of the democratic structure, the Cabinet is now better placed to consider reports and recommendations from Overview and Scrutiny Panels that meet earlier in the month.

- The Cabinet has six Members including the Executive Leader and Deputy Executive Leader. The description of the Deputy Executive Leader's role has changed who now has his own portfolio of responsibilities. The Council has recently been awarded the IDeA Member Development Charter.

Key decisions, defined as issues involving income/expenditure of £50,000 plus, or that affect two or more wards, are listed in a Forward Plan publicised four months in advance with executive decisions published within three days to facilitate potential call-in by scrutiny.

The arrangements for delegated decision making, the conduct of business at meetings etc. are defined in Cabinet procedure rules contained in the Council's Constitution.

Overview & Scrutiny Panels

The Council has appointed 3 Overview and Scrutiny Panels (Social Well-Being, Environmental Well-Being, and Economic Well-Being) which discharge the functions conferred by Section 21 of the Local Government Act 2000 in relation to the matters set out in Article 6 of the constitution.

Within their terms of reference, the Overview and Scrutiny Panels will:-

- review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
- make reports and/or recommendations to the full Council and/or the Cabinet and/or any Joint Committee in connection with the discharge of any functions;
- review the performance of the Council and the achievement of performance indicators and targets;
- scrutinise the performance of partnerships;
- exercise the Councillor "call for action" arrangements;
- consider any matter affecting the area or its inhabitants; and
- exercise the right of call-in, for reconsideration, of decisions made but not yet implemented by the Cabinet, an individual member of the Cabinet, a Committee of the Cabinet or a key decision made by an Officer.

An annual report of the activities of the Overview & Scrutiny Panels for 2011/12 will be submitted to the Panels in October 2012. It will then be publicised on the Council's website and sent to interested parties. A review of each Panel's effectiveness is to be undertaken in September 2012

Corporate Governance Panel

The Council has established a Corporate Governance Panel to consider the issues of audit, governance and finance. The Panel, when undertaking a review of its own effectiveness in February 2012, considered its own terms of reference. Council adopted the changes proposed by the Panel in May 2012. The terms of reference¹ give the Panel responsibility for

Governance	Reviewing the Council's Code of Corporate Governance and its supporting systems, incl. Constitutional arrangements. Approving the Annual Governance Statement.
Risk Management	Ensuring the Council has effective arrangements

¹

<http://modern.gov.huntsdc.gov.uk:8070/documents/s45914/Terms%20of%20Reference%20Appendix%20C.pdf>

	for the management of risk.
Internal Audit & External Audit	Ensuring there are effective arrangements for the system of internal audit and receiving and considering external audit reports.
Final Accounts	Approving the Council's statement of accounts.
Fraud & Corruption	Monitoring outcomes against the Anti-Fraud and Corruption Strategy.
Complaints & Feedback	Considering the Council's own complaints and feedback procedure, Local Government Ombudsman reports, and reviewing action taken to deal with the issues raised.

The Corporate Governance Panel has requested that effectiveness reviews of all Panels be undertaken. This work has commenced, but outcomes are not yet available

3. Codes of conduct defining standards of behaviour

A Members' Code of Conduct provides the statutory framework for the ethical conduct and behaviour of Members of the Council and persons appointed or co-opted to Committees. Following the abolition of the previous national Code, the Council adopted a new Code of Conduct at its meeting on 4 July 2012. Guidance has been issued to Members by the Monitoring Officer on 'disclosable pecuniary interests' and the completion of the Members' Declaration of Interests form and training is to be arranged.

Under the former Code, four complaints about standards of behaviour of District Council Members were received and dealt with during the reporting period, one of which resulted in a finding of no further action, two of which resulted in 'other action, namely apologies being given and one of which resulted in censure.

Notwithstanding the absence of a statutory model, an Employees' Code of Conduct defines the behaviour that the Council expects of its employees, with training provided as part of the induction process and regular reminders issued to both Members and employees of the need to register any new or changed interests.

A protocol for relations between Members and employees establishes the principles to be observed in the relationships at both an individual level and between executive and non-executive bodies and employees. A further protocol on community leadership by Members and Codes of Good Practice for both planning and licensing explain to Members the high standards of behaviour and conduct expected of them in carrying out their constituency and quasi-judicial decision making roles. Published on the Council's Internet and Intranet, the Codes and protocols are supplemented by training to ensure a thorough understanding and compliance with the principles and standards that they establish. In a review of the Constitution in November 2011, the Council agreed that training for members of the Development Management Panel and Licensing Committee should be mandatory.

Allowances

Councillors' allowances are set by the Council based on the recommendations of an Independent Remuneration Panel as required by the legislation. Allowances can be fixed for a 4 year period with an agreed formula to deal with annual adjustments without the need for further review. Regulation 10 of the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 2003/1021) refers. The Council's allowances were approved by the Council in December 2010 to come into effect in May 2011. A further review by the Independent Remuneration Panel is therefore not required until 2014.

During the year, £375,220 was paid as allowances to 52 Members, of which £19,093.67 was travel and sundry expenses. The basic allowance is £4,235 per annum, but in addition Special Responsibility Allowances are also payable to certain Members.

The Managing Directors incurred travel and subsistence costs in the course of their duties. No taxable expenses were reimbursed. Car fuel costs were reimbursed at rates ranging between 10p & 17p per mile. In total £9700 of expenses were reimbursed.

There are no Members who are contributing towards the Local Government Pension Scheme

4. Review of the Constitution

The Council's Constitution, which incorporates the Council procedure rules (Standing Orders), Code of Financial Management (financial regulations), Code of Procurement (Standing Orders as to Contracts) etc., is reviewed formally at biennial intervals by the Corporate Governance Panel, with an opportunity provided for both the executive and non-executive, as well as individual Members and employees, to reflect on its robustness and operation in practice over the previous two years. Interim changes may be made from time to time that are necessitated by legislative developments, reviews of working practices or alteration to decision making responsibilities. Any such change is communicated by updating the Constitution both electronically on the Internet and Intranet and in hard copy. Because of changes to the Senior Management Structure of the Council and the programme of early retirement/voluntary redundancy in the spring/summer 2011, the Senior Management Team agreed to defer the undertaking of the biennial review in March. Two reviews of the Constitution have subsequently been undertaken by the Corporate Governance Panel in 2011/12 with recommendations on the outcome submitted to Council in November 2011 and April 2012.

5. Capacity and Capability

Members

The Council has signed the IDeA Member Development Charter. An Action Plan has been completed and Charter status has been achieved. Role descriptions have been introduced for all Executive Councillors, other Councillors in receipt of special responsibility allowances, political group leaders and Ward Councillors

A training and development programme has been designed for Members that embraces the professional, organisational and behavioural knowledge and skills that they require to enable them to perform their roles both internally and within the community. Skills and needs audits are undertaken annually. Given limited resources, consideration is being given to the preparation of further personal development plans. A record of all training undertaken is maintained. Training is provided both internally by senior management and by external consultants and specialists

A Members' induction scheme is in place for new Members. Specific training is provided for Members who sit on the –

Licensing Committee/Panel
Development Management Panel
Standards Committee
Overview & Scrutiny Panels
Corporate Governance Panel.

Under the Constitution, it is now mandatory for Members of Development Management Panel and Licensing Panels to undertake specialist training, before sitting on those Panels. A mentoring scheme for new Members has been introduced

Employees

In May 2012 the Council entered into a shared service arrangement with Local Government Shared Services (LGSS) to provide a full HR service to the Council and which involved the TUPE transfer of the current Council staff.

A grade and pay review is currently being undertaken and will continue into 2013. The objectives of the pay review include:-

- ensuring any new pay structure is fair and equitable
- minimising the current overlap in grades
- having a pay structure that encourages staff to stay and develop
- having an affordable system that improves job security

The Council is committed to developing the skills of employees to enable roles to be carried out effectively and enhance career progression. Skills of employees are assessed as part of the annual appraisal process and an appropriate personal

training and development plan is agreed. In addition corporate training programmes such as Management and Leadership, Equality and Diversity, and Health and Safety training are in place. The development of a workforce strategy is scheduled to be completed in the next 12 months.

6. Treasury Management

Treasury Management is the process by which the Council:

- ensures it has sufficient cash to meet its day-to-day obligations
- borrows when necessary to fund capital expenditure, including borrowing in advance when rates are considered to be low
- invests any surplus funds in a manner that balances low risk of default by the borrower with a fair rate of interest.

The Council's Treasury Management Strategy provides clear objectives for the management of its borrowing and investments. It emphasises the need for effective management and the control of risk. The Strategy for 2012/13 was approved by the Council in February 2012. The Strategy, mid-year monitoring report and annual report are all considered by Overview & Scrutiny and Cabinet before going to Council to reflect their importance.

Officers also discuss relevant issues with the Treasury Management Advisory Group (4 members) on a regular but informal basis.

Risks associated with investments

There are two main risks:

- needing to lend to a body that is certain to be in a position to repay at the end of the loan period
- achieving a reasonable rate of interest for the money invested.

There is a need to balance these two aspects as the more certain the repayment the lower the rate of interest and vice versa. The strategy therefore sets criteria to ensure that risks are appropriately limited.

This is done by:

- limiting investments to bodies with high credit ratings or the larger building societies
- immediately ceasing further lending to bodies whose credit rating is reduced or where there is the likelihood of this
- limiting the size of investment with individual bodies and bodies within certain countries.
- maximising the use of liquidity accounts that allow repayment the same or following day.
- setting limits for investments of more than one year and corporate bonds)

Risks associated with borrowing

The risk is that borrowing will be undertaken at rates that hindsight will show are too high.

This is managed by considering:

- all available information carefully before borrowing long term.
- spreading borrowing over a variety of periods to spread the risk.
- the availability of safe investment opportunities before borrowing in advance of need

7. Internal Audit

The Internal Audit Strategy was due to be reviewed in June 2012. Due to the pending introduction of the Public Sector Internal Audit Standards from April 2013, the Corporate Governance Panel agreed that the Strategy review be delayed until the Standards are published and adopted.

Internal audit work is undertaken in accordance with the CIPFA Code of Audit Practice. The Managing Director (Resources) is the Council's Chief Financial Officer and is responsible for ensuring the Council has adequate internal audit arrangements. A risk-based strategic plan detailing the risks and activities of the Council is prepared, from which the annual audit plan is drawn. Written reports are prepared for all audits: these include an opinion on the degree of risk perceived and the assurance that can be obtained from the system. An annual report is submitted to the Corporate Governance Panel by the Internal Audit & Risk Manager in which he expresses his opinion on the Council's internal control environment.

In respect of the 12 month period ending 31st August 2012, the opinion expressed was that the "Council's internal control environment and systems of internal control provide adequate assurance over key businesses processes and financial systems".

8. Whistleblowing and Fraud

A Whistleblowing Policy and Procedure have been adopted, and are available on the Council's Website and Intranet. They are reviewed annually. A 'phone line and 'web form' are available for complainants' use at all times.

A dedicated Fraud Team undertakes investigation of allegedly fraudulent applications for housing and council tax benefit. This work complies with various legislative requirements. In addition the team also conduct investigations into fraudulent housing applications, council tax discounts and exemptions made by local taxation customers.

The Council's Anti-Fraud and Corruption Strategy is reviewed annually by the Corporate Governance Panel. The Panel established a small review group, which met in August 2012, to consider the Council's response to the National Fraud Authorities (NFA) "Fighting Fraud Locally" report. The NFA have recognised the innovative counter fraud work undertaken across the Council and we will be working with them to develop a regional fraud hub. The Dept of Communities & Local Government have also requested we develop a countywide tenancy fraud forum to build upon our successfully tenancy fraud arrangements.

9. Complaints Procedure

Complaints, or feedback, can be made in person at the Council offices, via telephone, fax, e-mail or the Council's website. The Council has reviewed its feedback procedure in June 2012. In addition to identifying and dealing with failure in service delivery, the revised procedure will enable the Council to learn lessons from complaints that are reported to it to help service improvement. It also provides for monitoring of the sources of complaints to ensure no sectors of the community are more disadvantaged than others. The complaints management system has been in place for the full year, which facilitates the preparation of reports to the Corporate Governance Panel on complaints trends.

The number of complaints that the Council receives continues to fluctuate with complainants tending to pursue their complaints through to the final stage of the process. There is no suggestion that there are more service failures, as the number of complaints examined by the Ombudsman, which have lead to a local settlement, remains negligible and no findings of maladministration have been found during the year ending 31 March 2012. There are, nevertheless, demands on senior managers to respond to complaints. The procedure permits any member of the senior management team or the Scrutiny and Review Manager to investigate complaints at the final stage. This spreads the demand to respond, which previously fell on Directors and provides flexibility. The procedure now also includes a section on redress.

The previous Persistent and Vexatious Complainants Policy has been reviewed in December 2011. It now covers all inappropriate behaviour by complainants, including being abusive, offensive and threatening and refusing to co-operate with the complaints investigation process or refusing to accept the decision.

10. Regulation of Investigatory Powers Act (RIPA) and Freedom Of Information act (FOI)

A policy has been adopted by the Council dealing with covert surveillance under the Regulation of Investigatory Powers Act 2000 and is published on the intranet. A group of officers has been established and meets on a regular basis to discuss surveillance issues and appropriate training is provided to staff and members.

The latest inspection report by the Office of the Surveillance Commissioner ("OSC") in August 2011 observes that the Council is not 'a significant user of RIPA

but it is evident that they are keen to discharge their legal responsibilities.’ Suggested amendments to the Council’s RIPA Surveillance Policy in the OSC Report were accepted by the Council’s Corporate Governance Panel and Cabinet in December 2011, at which time they also adopted a new RIPA (Communications Data) Policy.

In March 2012 the Council was also inspected by the Interception of Communication Commissioner Office (“IOCCO”). The report produced by the IOCCO in April 2012 stated that:-

“The public authority is acquiring communications data for the correct statutory purpose and importantly no evidence was found that the Council’s powers under Part I Chapter II of RIPA had been used to investigate trivial offences. Overall the Council has a satisfactory level of compliance with the Act and Code of Practice. However, there is room to improve parts of the systems and processes for acquiring communications data.”

The recommendations of the IOCCO were accepted and approved by Corporate governance panel in June 2012.

The Council was also inspected by the Interception of Communications Commissioner’s Office in March 2012. The Report concluded that “Overall the Council emerged satisfactorily from this first inspection.” A number of recommendations were made by the Inspector and accepted by the Council and reported, with an action programme, to Corporate governance Panel in June 2012.

Freedom of Information / Environmental Information Regulations (EIR); 463 requests were received by HDC in 2010 of which 98.2% were completed within the regulatory 20 working day period against a target of 98%.

The Council have also received 13 Subject Access Requests during the year, all of which were met within the statutory time limit. Of these 9 were from individuals requesting their own personal data; 4 from third parties requesting lawful authority for disclosure, including from police forces conducting missing persons/murder enquiries.

11. Risk Management

The Council maintains a risk register which contains the significant corporate and operational risks which are likely to affect the achievement of corporate objectives. The register is reviewed and updated on a quarterly basis. The Cabinet are responsible for formally deciding the acceptability of the highest levels of residual risk or if additional mitigation is required. Amendments to the risk management strategy were approved in December 2011. The risk register is used to inform the internal audit plan. Regular reports on the risks facing the Council are reported to the Corporate Governance Panel to ensure the systems and procedures are working effectively.

12. Assurance Framework

To ensure that the Council is complying with its Governance arrangements and meeting the requirements of the Code (as set out in the principles, core principles and specific requirements) an Assurance Framework in the form of an annual cycle is in place which includes:

- an annual review of governance arrangements;
- preparation of an Annual Governance Statement (AGS);
- implementation of an action plan associated with the AGS;
- a half yearly review of progress against the action plan;
- continued reference to systems and reporting as necessary to provide assurance and support for good governance; and
- the Audit Manager's annual report and comments by the external auditors and other inspections

This cycle is designed to reflect good practice in delivering a framework of assurance for Members and employees in terms of governance arrangements and to help to ensure accountability and transparency for local people and other stakeholders such as the Council's external auditors and Government inspectors.

Sources of assurance can be taken from:

- the Internal Audit Manager's annual opinion on the internal control environment;
- the risk register and assurance on the operation of key controls;
- In light of a review of the Council's Themes and Aims in July 2012, the Council's performance management framework is being revised and refreshed to reflect changing priorities.
- the consideration and monitoring by the Managing Directors of reports and decisions prepared for, and taken by, Cabinet;
- arrangements which have been made to ensure that reports to Members have due regard to the implications implicit in the report, including legal, financial and risk issues;
- reviews of the Constitution which have included variations to the Council's overview and scrutiny processes;
- the External Auditors annual report;

The Corporate Governance Panel has overall responsibility within the Council for ensuring that the assurance framework is in place and operating effectively.

13. Governance of Partnerships (Amended)

The Council has developed a Partnership evaluation framework, which has been used previously to test the governance arrangements on strategic partnerships. This framework will be used, where appropriate, to review the governance

arrangements of any significant partnerships, including those emanating from the review of sustainable community strategy, 'Huntingdonshire Matters'.

14. Annual Audit Letter: (November 2011)

This will be added when we receive PWC annual audit letter.

The Annual Audit Letter can be found on the Councils Web site:

15. Governance Issues Previously Identified

- **Review of the Council's Corporate Plan**

- The Council's corporate plan is made up from a suite of documents, these being:
 - The Leadership Direction document.
 - The Council delivery plan
 - Medium Term plan
 - Service delivery plans

The Leadership Direction document has been developed by the Executive Leader Strategy Group and Senior Management Group and sets out the Council's Themes and Aims. This was presented to Council in July.

The Council delivery plan identifies the key activities, by service that contributes to delivering the Leadership Direction Aims. This is currently being developed by the Corporate Plan Working Group

The Medium Term Plan will be considered from September onwards

Service Delivery Plans list all divisional activity, some of which will be key activities.

- **Review of the Council's Performance Management Framework**

- A review has been undertaken to identify a basket of performance measures by which to monitor the key activities within each service area. Where possible this includes actual, historical and trend data.
- The first set of Service Quarterly Performance reports were produced, using the new basket of measures and reported to COMT in July 2012
- Where possible the same measures will be used to report progress of key activities in the Council delivery Plan.

- **Review of the Constitution and Scheme of Delegation.**

A report reviewing the Constitution and Scheme of Delegations was submitted to Corporate Governance Panel and full Council in November 2011 that:—

- *amended the terms of Reference for Overview and Scrutiny;*
- *prohibited any member appointed from serving on the Development Management Panel, the Licensing Committee and the Licensing and protection Panels until they had undertaken the relevant training; and*
- *gave delegated authority to the Head of Legal & Democratic Services, after consultation with the Chairman of CGP, to make any other necessary amendments to the Scheme of Delegations, relating solely to the structure and post titles and not to substantive change, following the current review.*

A further report was submitted to Corporate Governance Panel on 28 March 2012, recommending amendments to:

- *the terms of reference of Corporate Governance panel;*
- *the Codes of Financial Management and Procurement; and*
- *Annex iii of the Council Procedure Rules.*

In June 2012 a report on the new Standards Regime was considered by Corporate Governance Panel, which resulted in consequential changes to the Constitution, specifically with the creation of a new standards Committee without independent members.

- **Adequacy of Business Continuity arrangements.**

Objective; To develop a new BC Plan (first issue to be published in August 2012) which will be built by drawing on examples of “best practice” from other authorities. Progress has been made in the following areas:

- The Head of IMD has met with Business Continuity officers at both Cambridgeshire CC and South Cambridgeshire DC. SCDC, Business Continuity Plan is to be used as a template for a complete re-working of the existing HDC Service Recovery Plan.
- Re-established a team of BC Coordinators and their deputies for each service
- Established a Business Continuity Intranet site - this will continue to evolve
- Worked with each service BC coordinator to help them develop their service-specific plan which will fit within an overall corporate framework
- The revised plan was reported to COMT on the 3rd September and a review of the plan has been scheduled with O&S (Economic Well-being) for 8th November 2012.

- **Adequacy of the arrangements for timely completion of the Council’s final accounts**

- Whilst the accounts for 2010/11 were submitted to the external auditors (PWC) on time it emerged, over the period of the audit, that there were some significant issues with the treatment of balance sheet items relating to capital under the new IFRS requirements. There was no suggestion of any issues with the accounting for income and expenditure and the impact on the Council's revenue reserves. Unfortunately the resolution of some of these issues was protracted and the accounts were not finally signed by the auditors until the 13 July 2012 (government deadline 30 September 2011).
- Many of the problems with the 2010/11 accounts were unique to that year in that they related to the introduction of IFRS, staffing issues and the first year of PWC as our auditors. Indeed the resolution of the capital issues for 2010/11 provided a sound footing for subsequent years. Through more vigorous project management and some use of external experts the 2011/12 draft accounts were completed by the 30 June deadline and, whilst the audit is not yet complete, as of 5 September the indications from PWC are that they will be able to provide an unqualified opinion by 30 September.
- The processes used for 2011/12 will be further refined and there is no reason to believe that future years will not be completed on time because any indication of future difficulties will result in the prompt involvement of any necessary external expertise.

16. Governance Issues

While generally satisfied with the effectiveness of corporate governance arrangements and the internal control environment, as part of continuing efforts to improve governance arrangements the Council has identified the following issues for attention in the forthcoming year –

- Review of pay systems
- To ensure statutory accounts are produced on time
- Monitoring progress on:
 - Business Continuity implementation
 - Standards Training
 - Appraisals to include KPA for officers who have key financial contribution/decision making in their duties
 - Parish Charter Protocol

During the coming year steps will be taken to address these issues to further enhance the Council's Governance arrangements. In these circumstances we are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation through the Council's Improvement Plan and as part of our next annual review.

Signed:

Jason Ablewhite
Executive Leader of the Council

Signed:

Managing Director – Resources

I hereby confirm that the Councils Corporate Governance Panel have approved the Governance Statement

Signed: Date:

Councillor Eric Butler
Chairman of the District Council's Corporate Governance Panel

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September, 2011