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## **Corporate Governance Panel**

**Report of the meeting held on 25th September 2012**

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### **Matters for Information**

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**11. ANNUAL REPORT ON THE FREEDOM OF INFORMATION ACT, ENVIRONMENTAL INFORMATION REGULATIONS AND DATA PROTECTION ACT**

The Panel has received a report on the number of requests received by the Council under the Freedom of Information Act, Environmental Information Regulations and Data Protection Act. At the request of the Panel, future reports will include the previous year's statistics for comparative purposes. Matters discussed include the achievement of the deadline set by the Coalition Government in relation to the publication of any items of expenditure over the sum of £500 and the cost to the Council for complying with these legislative requirements.

**12. AUDITORS REPORT – FINAL ACCOUNTS 2010/11**

A report by the external auditors outlining the findings of their audit of the Council's 2010/11 final accounts was received and noted by the Panel.

**13. INTERNAL AUDIT SERVICE: ANNUAL REPORT FOR THE YEAR ENDING 31ST AUGUST 2012**

Under the requirements of the 2006 Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government, the Panel was provided with the Audit and Risk Manager's opinion that the Council has in place adequate controls to manage identified risks to its objectives and the risks inherent in undertaking its work.

Disappointment was expressed that only 48% of agreed audit actions were introduced on time and that a very modest target of 60% had been set. Responsibility for these actions lies with service managers. Owing to their concerns, the Panel has requested that their comments be relayed to the Executive Councillor for Resources.

It was confirmed to Members that it was the role of the external auditor to gain an understanding of the key controls in place for the Council's financial accounts and to undertake detailed testing of its controls and systems. It is not their role to express a view on the Council's internal audit service, but to have regard for their work.

**14. REVIEW OF THE EFFECTIVENESS OF THE INTERNAL AUDIT SERVICE**

As required by the Accounts and Audit Regulations 2011, the outcome of a review of the effectiveness of the Internal Audit Service was reported to the Panel. A Peer Review of the Internal Audit Service will be undertaken in October, the outcome of which will be reported to the Panel at its December meeting.

**15. REVIEW OF THE EFFECTIVENESS OF THE CORPORATE GOVERNANCE PANEL**

The outcome of a review undertaken by the Chairman on the effectiveness of the Panel was noted by Members. The Chairman has concluded that there is a need for the Panel to be more proactively aware of relevant legal and regulatory issues and best practice developments. Therefore, the Panel will, in future, receive reports on the governance of the pay review, business continuity plan and the Local Plan.

**16. RISK REGISTER**

Changes made to the Risk Register between the period 14th March to 31st August 2012 were noted by the Panel.

**17. COMPLAINTS**

Lessons learnt by the Council on the cases referred to the Local Government Ombudsman were reported to the Panel. Two complaints were received in 2011/12, both relating to the same matter.

**18. GOVERNANCE STATEMENT**

Subject to minor amendments to the Governance Statement 2011/12, Members have authorised the Chairman of the Panel to sign the Statement on behalf of the Council. The changes relate to the deletion of reference to the Local Area Agreement and an amendment to the date scheduled for the review of the effectiveness of the Overview and Scrutiny Panels.

**19. APPROVAL FOR PUBLICATION OF THE 2011/12 ACCOUNTS**

The Panel was apprised of the process required to be undertaken prior to the publication of the 2011/12 final accounts. This includes receiving the auditor's report on the audit of the 2011/12 accounts, together with their Letter of Representation and the draft Statement of Accounts for the year ended 31st March 2012.

Delegated authority has been given to the Managing Director (Resources) to sign the Letter of Representation on behalf of the Council and, following consultation with the Chairman of the Panel, to make any final non-material changes to the 2011/12 accounts. The

Panel has also authorised the Chairman of the Panel to sign the accounts on behalf of the Council.

## **20. TRAINING OF PANEL MEMBERS**

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

## **21. HOUSING BENEFIT – INTRODUCTION OF RISK BASED VERIFICATION**

*(This item was submitted as a Part 2 item under Paragraph 7 of Part 1 of Schedule 12A of the Local Government Act 1972.)*

Consideration was given to a proposal to introduce risk based verification on new Housing and Council Tax Benefit claims submitted through the Council's online claim facility. This has arisen following a pilot undertaken by a number of local authorities across the country and will enable the Council to categorise applications into one of the three risk groups of high, medium or low. Efficiencies of up to 50% in the caseload for low risk claims and improved error detection rates for high risk cases are expected as a result of the proposals.

## **22. CODE OF PROCUREMENT: TENDER QUOTATION AND REVIEW**

*(This item was submitted as a Part 2 item under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.)*

The Panel has expressed their disappointment over the lack of compliance with the Council's Code of Procurement. At the request of the Panel, an education and training programme will be developed to encourage improved compliance with the Code. Assurances have been delivered that the Code is being adhered to in the case of large contracts.

Members have discussed a number of matters including the appointment of sub-contractors, the publicity undertaken by the Council to attract potential contractors, the role of the Internal Audit Team in opening tenders and the importance of communication.

Amendments to the existing Code are required to enable provision for emergency procedures relating to the receipt of contracts in excess of £50,000 and the need for this to be extended to include quotations. These amendments will be included within the annual review of the Code which will be reported to the Panel at its March 2013 meeting.

The Audit and Risk Manager reported that he would be undertaking a further piece of work on the effective utilisation of the procurement register. This was welcomed by the Panel given that they are not satisfied that the Internal Audit Service is being informed of all tenders received.

**23. LESSONS LEARNT – 2010/11 ACCOUNTS**

*(This item was submitted as a Part 2 item under Paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972.)*

The Panel has endorsed a series of recommendations which have been accepted by the Managing Director (Resources) to improve the Council's processes to finalise the Council's financial accounts in future years. Disquiet continues to be expressed by Members over the delay with the publication of the 2010/11 accounts and in particular, at the lack of detail provided on the additional costs incurred by the Council as a result of the delay.

E R Butler  
Chairman