
Corporate Governance Panel

Report of the meeting held on 26th March 2013

Matter for Decision

33. REVIEW OF COUNCIL CONSTITUTION

By reference to a report by the Head of Legal and Democratic Services (a copy of which is reproduced as Appendix A hereto), the Panel has undertaken a biennial review of the Constitution. The changes recommended by the Panel have arisen as a result of practical experience and operation of the Constitution, new legislation and comments by Members and Officers.

Consideration also was given to an addendum to the report (reproduced as Appendix F hereto) regarding issues relating to the Constitution of Panels and Committees and the terms of reference for the Corporate Governance Panel.

The Panel considered a proposal to appoint substitute Members to Panels, Committees and Advisory Groups but unanimously agreed not to pursue such an arrangement. (Appendix B refers).

With regard to a proposal to vary the number of Members required to demand a recorded vote, the Panel felt it was not necessary to alter the current rule which allows for the vote to be taken and entered into the Minutes if at least one third of Members present demand it before the vote is taken, bearing in mind the right of an individual Councillor to request that their own vote be recorded.

Having previously supported, in principle, a series of proposals to streamline the process for the consideration of employment matters currently dealt with by the Employee Liaison Advisory Group and Employment Panel (details of these arrangements are reflected in Appendix G hereto), Members considered 6 key delegations to the Head of Paid Service relating to employment matters. Having noted that, administration of the local government pension scheme including the award of discretionary payments to employees, will be the responsibility of the Head of Paid Service, the Panel expressed their support for the delegations.

With regard to the Code of Procurement, the Panel has discussed a proposed amendment to the Code to allow late tenders to be considered provided that no other tender had been opened. Reference was made to the need to respond to exceptional circumstances. However, the Panel felt unanimously that it was not

necessary to alter the current Code given the various methods available to tenderers to ensure that their tenders are received on time. Subsequent to the meeting, the recommended Code has been updated and a copy is reproduced as Appendix C hereto.

In considering the addendum to the report, the Panel discussed a proposal to vary the terms of reference and title of the Corporate Governance Panel. Members rejected unanimously, a change in name and were of the opinion that the Panel's terms of reference should remain as they are or be expanded by merging with the Standards Committee. At the same time, Members discussed a proposal to rationalise membership of Panels so that either 12 or 8 Members were appointed to Panels. In response, the Panel felt that there would be some benefit in increasing the number of Members appointed to the Corporate Governance Panel, Overview and Scrutiny Panels and Standards Committee but saw no benefit in reducing the membership of the Development Management Panel. The Panel were conscious that they had not been able to consider fully the impact of these proposals and therefore requested the Head of Legal and Democratic Services, after consultation with the Chairman of the Panel, to report further on this matter to Council at its meeting on 24th April 2013.

In noting that the Head of Legal and Democratic Services would be undertaking a further review of the Overview and Scrutiny Panels' Procedure Rules and specifically the need for the continued involvement of external co-opted persons, Members referred to the valuable contribution made by the existing co-optees.

The Panel's attention was drawn to the conferment of the title of Honorary Alderman which currently required a minimum of 15 years service as an elected Councillor. Having regard to the current four year term of office for a Councillor, the Panel expressed support for a minimum service requirement of 12 years before the eligibility of a former Councillor for Alderman status could be considered.

Having also supported proposed changes to the financial limit for key decisions, executive decision making, access to information arrangements, Overview and Scrutiny Procedure Rules and to the Code of Financial Management, the Panel

RECOMMEND

- (a) that with regard to Article 13 – Decision Making, a figure of £200,000 be adopted as the level above which the matter concerned would be considered to be significant for 'key decision' purposes;**
- (b) that with regard to Table 2, responsibility for Council Functions, delegated authority by given to the Head of Paid Service (or his/her nominee) to deal with the following employment matters:-**

- (i) making of all staff appointments below the Head of Service;
 - (ii) determination of salary and terms and conditions of all posts in accordance with adopted human resources policies;
 - (iii) negotiation and implementation of local pay awards in compliance with any limitations contained in the Code of Financial Management following consultation with the Chairman of the Employment Panel and the Executive Leader;
 - (iv) negotiation and implementation of changes to terms of conditions of employment and human resources policies;
 - (v) responsibility for consultation and information sharing arrangements with staff;
 - (vi) administration of the provisions of the Housing Act 1989 relating to politically restricted posts; and
 - (vii) responsibility for exercising employer discretions in relation to the Local Government Pension Scheme for staff below Chief Officer.
- (c) that the new arrangements to streamline the process for the consideration of employment matters, as outlined in Appendix G, be endorsed and the constitution varied to reflect these changes;
- (d) that the changes to the Access to Information Procedure Rules, as highlighted in Appendix E, be adopted;
- (e) that the following provision be made in the Constitution under 'Executive Decisions':—
- “that after an Officer has taken a decision closely associated with the discharge of an Executive function, and where that decision is not exempt from publication, a record of the decision shall be published on the Council’s website”;*
- (f) that with regard to the Overview and Scrutiny Procedure Rules, the last sentence of paragraph 10 of the Rules be replaced by –
- “the Agenda for Cabinet meetings shall include an Item entitled “Issues arising from Overview and Scrutiny”. The reports of Overview and*

Scrutiny Panels referred to the Cabinet shall be included at this point in the Agenda (unless they have been considered in the context of the Cabinet's deliberations on a substantive item elsewhere on the Agenda) within two months of the Overview and Scrutiny Panel completing its report/recommendations. Following consideration by Cabinet, the relevant Executive Councillor shall provide a written response to each of the Overview and Scrutiny Panel's recommendations, including reasons where recommendations are not accepted.

The Overview and Scrutiny Panel Chairman or his/her representative shall have a right to attend and address the Cabinet meeting on the report or recommendations of the Panel and shall be entitled to speak for up to five minutes."

- (g) that with regard to authority to appear in court proceedings, delegated authority be granted to the Head of Legal and Democratic Services to authorise suitably trained and qualified staff to :-**
 - (i) prosecute, defend and appear on behalf of the Council before the Magistrates' Court in accordance with Section 223 of the Local Government Act 1972; and**
 - (ii) exercise rights of audience in the County Court in accordance with Section 60 of the County Courts Act 1984 in relation to local authority housing matters and the Lay Representatives (Rights of Audience) Order 1999 in relation to civil matters heard in chambers or dealt with as a small claim;**
- (h) that the Codes of Financial Management and Procurement, attached as Appendices C and D, be adopted; and**
- (i) that the criteria upon which future Alderman should be selected be set at 12 years public service.**

Matters for Information

34. GRANT CERTIFICATION 2011/12

The Panel has received and noted a report from the external auditor detailing the certification of specific grants received by the Council in 2011/12. Members expressed strong concerns over the rules issued

by the Department of Works and Pensions (DWP) for the auditing of benefits claims and the resultant additional cost to the authority of the auditors undertaking further sampling when any error is found in the first sample. In concluding that the auditing rules for sampling are much too severe, the Panel has requested the Assistant Director Finance and Resources to write to the Department of Communities and Local Government, the DWP and the Audit Commission, highlighting the Panel's concerns and requesting that the criteria for taking a further sample be adjusted such that these were required only if the errors in the previous round of sampling are significant.

35. EXTERNAL AUDIT PLAN 2012/2013

The draft external audit plan for 2012/2013 has been presented to the Panel by the Council's external auditors. Members' attention was drawn to the key audit risk areas identified and the approach that will be undertaken to complete these audits was noted.

The Panel's views on fraud were sought by the external auditors. In response, Members referred to the work of the Fraud Working Group and the activities of the Fraud Team.

36. ANNUAL EQUALITY PROGRESS REPORT 2012

Progress made to date in respect of the achievement of the Council's Single Equality Scheme and associated Action Plan was noted by the Panel. Attention was drawn to equality impact assessments which will continue to be used to assist with the Council's responsibilities under the Equality Act 2010.

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

The Panel has noted progress made to date in respect of the achievement of the Action Plan supporting the Annual Governance Statement and the Council's Improvement Plan and during the course of their review sought assurances that the implementation date for the pay review was on target.

38. ACCOUNTING POLICIES FOR THE STATEMENT OF ACCOUNTS 2012/13

The Panel has approved six changes to the accounting policies, only one of which was considered to be significant. Members have noted that the 2012/2013 accounts now will be produced on this basis.

39. PUBLIC SECTOR INTERNAL AUDIT STANDARDS

The Panel has approved the adoption of Public Sector Audit Standards together with proposals for the discharge of the Panel's responsibilities. The Standards, which come into force from 1st April 2013, will be recognised as proper non-statutory practice and have been developed specifically for public sector organisations in the UK. The Panel was assured that the majority of actions prescribed in the

Standards are similar to the current requirements of the CIPFA Code of Practice and will have little impact on day to day operational systems. However, two significant changes were drawn to the attention of the Panel. These related to the definition of conflicts of interest for internal auditors and the need to appoint a Chief Audit Executive (CAE) as the person for managing internal audit. It was explained that the management of internal audit, risk management and insurance services will remain the responsibility of the Internal Audit Manager. Although the Internal Audit Manager does not hold the professional qualifications required by the Standards, the Panel has noted that he does possess the knowledge, skills and competence to manage and deliver the service.

**40. INTERNAL AUDIT SERVICE –
AUDIT CHARTER AND AUDIT PLAN**

The Panel has approved the Internal Audit Service – Audit Charter and Audit Plan. The former provides a framework for the conduct of internal audit, replaces the Internal Audit Strategy and terms of reference and establishes the position of Internal Audit within the Council. The Audit Plan sets out the key features of the Internal Audit Planning Process for the period commencing April 2013 and how the function for the period will be resourced.

**41. EXTERNAL AUDITOR ISA260 REPORT:
IMPLEMENTATION OF 2011/12 RECOMMENDATIONS**

The Panel has noted the significant progress made to implement the recommendations of the Council's External Auditor, PricewaterhouseCoopers, following the audit of the 2011/12 Statement of Accounts. Members were advised that all but one of the recommendations had been implemented and that this outstanding item would be completed by the end of April 2013.

42. RISK REGISTER

The Panel has noted changes made to the Risk Register between the period 3rd September 2012 – 5th March 2013 inclusive.

43. WORK PROGRAMME AND TRAINING

The Panel has noted details of their anticipated work programme in 2013/14.

E R Butler
Chairman