

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 Tuesday, 26 March 2013.

PRESENT: Councillor E R Butler – Chairman.
Councillors K J Churchill, G J Harlock,
P G Mitchell and R J West.

APOLOGY: An apology for absence from the meeting was submitted on behalf of Councillor M Baker .

44. MINUTES

The Minutes of the meeting of the Panel held on 12th December 2012 were approved as a correct record and signed by the Chairman.

45. MEMBERS' INTERESTS

No declarations were received from the Members present.

46. CORPORATE GOVERNANCE PANEL - PROGRESS REPORT

In monitoring progress/achievement of specific actions previously reported to the Panel, a Member questioned whether the corporate guide to managing projects had been approved by the Chief Officers Management Team. In response to which, the Panel were informed that an update on its progress would be submitted to their next meeting.

47. GRANT CERTIFICATION 2011/12

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

The Panel received and noted a report by the Assistant Director Finance and Resources (a copy of which is appended in the Minute Book) detailing the certification of specific grants received by the Council in 2011/12. Whilst there were no significant issues arising from the report, the Panel expressed strong concerns over the rules issued by the Department of Works and Pensions for the auditing of benefit claims and the resultant 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 were much too severe, the Panel

RESOLVED

- (a) that the grant specification report for 2011/12 be received and noted; and
- (b) that the Assistant Director Finance and Resources be requested to write to the Department of Communities and Local Government, the Department of Works and Pensions and the Audit Commission, to express the Panel's concerns over the cost to the authority of auditing benefit claims and requesting that the criteria for taking a second sample be adjusted to only require this if the errors in the previous round of sampling are significant.

48. EXTERNAL AUDIT PLAN 2012/13

The Panel received and noted a report by the external auditors (a copy of which is appended in the Minute Book) detailing the draft External Audit Plan for 2012/13.

Mr C Everest of PricewaterhouseCoopers LLP drew the Panel's attention to the key audit risk areas identified for the year and highlighted the approach that would be undertaken to complete these audits. He also pointed out that the level of fees was still under discussion with officers.

Having been asked for their views on fraud, Members referred to the work of the Fraud Working Group and the activities of the Fraud Team. Whereupon, it was

RESOLVED

that the content of the draft External Audit Plan for 2012/13 be noted.

49. ANNUAL EQUALITY PROGRESS REPORT 2012

With the assistance of a report by the Corporate Team Manager (a copy of which is appended in the Minute Book) the Panel were updated on progress made to date on the delivery of actions and targets set out in the Council's Single Equality Scheme and associated Action Plan.

Having noted the background to the report and the current position with regard to the completion of the equality impact assessments, the Panel

RESOLVED

- (a) that the impact of the Council's work around equalities in helping services to consider and understand the needs of different groups and as an aid to decision making be noted; and
- (b) that progress be noted against the Single Equality Scheme Action Plan and the findings from the Equality Impact Assessment conducted during 2012 be

supported.

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

Further to Minute No. 12/18 and 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 received an update on the achievement of the Council's Corporate Governance Statement.

Having received assurances from officers present that they understood the implementation date for the pay review was on target, the Panel

RESOLVED

that the progress made to implement the action plans arising from the annual governance statement be noted.

51. REVIEW OF EMPLOYEE CONSULTATION INFORMATION ARRANGEMENTS

Pursuant to Minute No. 12/35, the Panel gave consideration to a report by LGSS (a copy of which is appended in the Minute Book) on proposals to streamline the process for the consideration of employment matters currently dealt with by the Employee Liaison Advisory Group and Employment Panel.

Members were advised that in response to the Panel's concerns at their last meeting, a proposal to change the name of the existing Employment Panel had been withdrawn. In considering the extent of the authority to be delegated to the Head of Paid Service, Members received assurances that the administration of the local government pension scheme, including the award of discretionary payments to employees, would be the responsibility of the post holder. Having noted that the Employment Panel had raised no objections to the proposals, the Panel

RESOLVED

- (a) that the contents of the report be noted; and
- (b) that subject to the inclusion of a reference to the exercising of employer discretions in relation to the Local Government Pension Scheme for staff below Chief Officer, the proposed delegation to the Head of Paid Service, as outlined within paragraph 4, and the new arrangements for streamlining the process for the consideration of employment matters be endorsed for amendment to the Constitution and recommendation to full Council.

52. REVIEW OF COUNCIL'S CONSTITUTION

With reference to a report by the Head of Legal and Democratic Services (a copy of which is appended in the Minute Book) the Panel undertook a review of the Council's Constitution. The Panel were reminded of the procedure for a review in which all Members had been offered the opportunity to submit comments individually on the Constitution. An addendum to the report was also circulated 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. In so doing, the consensus among the Panel was that the scheme should not be implemented within the Council.

With regard to the a proposal to vary the number of Members required to demand a recorded vote, the Panel felt that it was not necessary to alter the current rule which allows for the vote to be taken and entered into the Minute if at least one third of Members present demand it before the vote is taken. Reference also was made of 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 Employment Liaison Advisory Group and Employment Panel, the Panel considered 6 key delegations to the Head of Paid Service relating to employment matters. Having noted that the administration of the local government pension, including the award of discretionary payments to employees, would be the responsibility of the Head of Paid Service the Panel expressed their support for the delegations.

The Panel also discussed a proposal to amend the Code of Procurement to allow late tenders to be considered provided that no other tender had been opened. Given the various methods available to tenderers to ensure that their tenders are received on time, Members did not support this proposal.

In considering a suggestion to vary the terms of reference and title of the Corporate Governance Panel, Members felt that there was no sound reason for changing the 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. In discussing a proposal to rationalise membership of Panels, Members acknowledged 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. Given that they had not been able to consider fully the impact of these proposals, the Panel suggested that the Head of Legal and Democratic Services, after consultation with the Chairman of the Panel, 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 Panel's Procedure Rules, specifically the need for continued involvement of external co-opted persons, the Panel referred to the valuable contribution made by existing co-optees.

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 considered other issues relating 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 agreed to

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 Code of Financial Management be adopted;
- (i) that, subject to an amendment to paragraph 9.8 to reject any late tenders, the Code of Procurement be adopted; and
- (j) that the criteria upon which future Alderman should be selected be set at 12 years public service.

53. ACCOUNTANCY POLICIES FOR THE STATEMENT OF ACCOUNTS 2012/13

Consideration was given to a report by the Accountancy Manager (a copy of which is appended in the Minute Book) detailing changes which had been proposed to the accounting policies.

Having been reassured that the changes were only of a minor nature, the Panel

RESOLVED

that the changes proposed to the accounting policy attached as Appendix A to the report now submitted be approved.

54. PUBLIC SECTOR INTERNAL AUDIT STANDARDS

A report by the Internal Audit Manager was submitted (a copy of which is appended in the Minute Book) regarding the provisions of the public sector internal audit standards which have been developed specifically for public sector organisations in the UK and are due to come into effect on 1st April 2013.

Members noted that the majority of actions prescribed in the Standards were similar to the current requirements of the CIPFA Code of Practice and would 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. The Panel was advised that the management of internal audit, risk management and insurance services would remain the responsibility of the Internal Audit Manager. The Panel also was made aware that although the Internal Audit Manager does not hold the professional qualifications required by the Standards, he does possess the knowledge, skills and competence to manage and deliver the service. Whereupon, it was

RESOLVED

- (a) that the contents of the report be noted;
- (b) that the adoption of the Public Sector Internal Audit Standards from 1st April 2013 be approved; and
- (c) that the discharging functional reporting responsibilities, as outlined in Appendix C of the report now submitted, be approved.

55. INTERNAL AUDIT SERVICE: INTERNAL AUDIT CHARTER

Having regard to a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) the Panel was given the opportunity to consider and comment upon the Internal Audit Charter.

Having noted that the Charter would replace the Internal Audit Strategy and Terms of Reference, the Panel

RESOLVED

that the Internal Audit Charter now submitted be approved.

56. INTERNAL AUDIT SERVICE: INTERNAL AUDIT PLAN

By way of a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) the Panel undertook a review of the Internal Audit Plan which sets out key features of the internal audit plan process for the period commencing April 2013. Whereupon, it was

RESOLVED

that the contents and resourcing of the Internal Audit Plan be approved.

57. 2011/12 ACCOUNTS : EXTERNAL AUDIT ISA 260 REPORT: IMPLEMENTATION OF 2011/12 RECOMMENDATIONS

Further to Minute No. 12/38 and with the aid of a report by the Accountancy Manager (a copy of which is appended in the Minute Book) the Panel was apprised of progress with the implementation of recommendations made by the Council's External Auditor, PricewaterhouseCoopers, following the audit of the 2011/12 Statement of Accounts.

Having noted that all but one of the recommendations contained in the action plan had been implemented and the outstanding item would be completed by 30th April 2013, the Panel

RESOLVED

that the significant progress achieved to create a smooth running process for the production of this year's final accounts be noted.

58. 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 3rd September 2012 to 5th March 2013 inclusive. Whereupon, the Panel

RESOLVED

that the contents of the report now submitted be noted.

59. WORK PROGRAMME AND TRAINING

By way of a report by the Assistant Director Financial and Resources (a copy of which is appended in the Minute Book) Members were acquainted with a work programme for the Panel for 2013/14.

Having noted that the programme had been amended to reflect an increase in the number of Panel meetings from 4 to 6 per year, the Panel

RESOLVED

that the contents of the report now submitted be noted.

Chairman