
Corporate Governance Panel

Report of the meeting held on 26th September 2013

Matters for Decision

14. EFFECTIVENESS OF THE PANEL

By way of a report by the Internal Audit Manager (a copy of which is reproduced as Appendix A hereto), the Panel has been acquainted with the outcome of a review undertaken by the Chairman and Vice-Chairman on the effectiveness of the Panel. The review has concluded that the Panel was generally acting effectively and fulfilling its terms of reference.

With regard to the frequency of future reviews, Members concluded that these should be undertaken annually. The Panel discussed also whether their effectiveness should be the subject of an independent review. Having been advised that an external assessment would cost between £3,000 and £20,000 and given the financial challenges being faced by the authority, the Panel felt that it would be unreasonable to pursue this course of action.

However, Members have supported a number of opportunities to further improve the effectiveness of the Panel including the development of a formal induction training plan, preparation of a formal annual report, changes to the Panel's Terms of Reference and transfer of responsibility for the Risk Management Strategy to the Cabinet. Given that the latter two proposals required amendments to be made to the Council's Constitution, the Panel

RECOMMEND

- (a) that the Cabinet's Terms of Reference be amended to include the approval of the Risk Management Strategy; and**
- (b) that the Corporate Governance Panel's new Terms of Reference, as outlined in the Appendix to the report, be approved.**

15. IMPROVING INTERNAL CONTROLS

The Panel has considered a report by the Internal Audit Manager (a copy of which is reproduced at Appendix B hereto) proposing amendments to the Code of Procurement and the Code of Financial Management. The changes recommended have arisen as a result of

an internal audit investigation into procurement practices which highlighted the need to modify or reinforce internal control processes in a number of areas.

The Panel was informed that, in addition to the changes, a number of initiatives will be introduced - including the training of Managers on procurement practices, the Code of Procurement and the e-marketplace and the development of a new overarching procurement strategy. The new strategy will set out the long term strategic approach to procurement, indicate how the procurement structure will deliver year on year efficiencies and savings and provide greater visibility and understanding of the procurement function.

Furthermore, the Employees' Code of Conduct will be replaced by an Employee Handbook. The handbook will deal with issues relating to the Code of Conduct and will contain a Code of Ethics, incorporating current key values and behaviours and the seven principles of public life. It will include issues relating to procurement and the register of interests as well as addressing general staffing protocols.

Attention was drawn to a prompt payment code administered by the Institute of Credit Management on behalf of the Department for Business Innovation & Skills, where signatories undertake to pay suppliers on time, give clear guidance to suppliers and encourage good practice. In supporting a proposal that the Council sign up to the Code, the Panel

RECOMMEND

that the Council

- (a) endorse the revised Code of Procurement;**
- (b) endorse the revised Code of Financial Management;
and**
- (c) apply to become a signatory to the Prompt Payment Code.**

Matters for Information

16. PROGRESS REPORT

Details of actions taken in response to recent discussions and decisions were noted by the Panel.

17. RISK REGISTER

Changes made to the Risk Register between the period 6th March to 2nd September 2013 were noted by the Panel.

18. APPROVAL FOR PUBLICATION OF THE 2012/13 ANNUAL GOVERNANCE STATEMENT AND ANNUAL FINANCIAL REPORT

The Panel was apprised of the process required to be undertaken prior to the publication of the 2012/13 final accounts. This includes receiving the auditor's report on the audit of the accounts, together with their Letter of Representation, the production of the Annual Governance Statement and the draft Annual Financial Report for the year ended 31st March.

In approving the contents of the Governance Statement, delegated authority has been given to the Executive Leader and Managing Director to sign the Statement on behalf of the Council. At the same time, the Assistant Director, Finance and Resources has been authorised to sign the Letter of Representation.

Having received the Auditor's final changes to the Annual Financial Report, the Panel has approved its contents and has authorised the Chairman of the Panel to sign the accounts on behalf of the Council.

19. WORK PROGRAMME AND TRAINING

Members of the Panel have received details of their anticipated work programme over the ensuing year. A presentation is to be held at the start of the next meeting on the District Council's approach to tackling fraud with particular emphasis on the National Fraud Initiative.

E R Butler
Chairman