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## **Corporate Governance Panel**

**Report of the meetings held on 25th September and  
26th November 2014**

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### **Matters for Decision**

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#### **11. EFFECTIVENESS OF THE PANEL**

By way of a report by the Internal Audit & Risk Manager (a copy of which is reproduced as Appendix A hereto), the Panel has been acquainted with the outcome of a review undertaken by Councillors E R Butler, G Harlock and R West on the effectiveness of the Panel. The review has concluded that the Panel was generally acting effectively and fulfilling its terms of reference. In discussing opportunities to improve its effectiveness, it was understood that Member effectiveness was not routinely appraised. The Panel was of the view that the performance of all Members of the Council should be evaluated and they supported a suggestion that the matter be referred to the Member Development Group. In the absence of an update on this suggestion at their November meeting of the Panel, members have asked for clarification on the current position.

The Panel discussed also the advantages and disadvantages of receiving draft accounts prior to audit and whether receiving them in September was sufficient to allow the Panel to discharge their governance responsibilities. The Panel felt that it would be beneficial to receive the draft accounts during the course of the audit at an informal meeting and that further training on the accounts be arranged.

Members have supported a number of changes to the Panel's Terms of Reference to reflect the suggested terms of reference for an audit committee as contained in the "Audit Committees: Practical Guidance for Local Authorities and Police 2013". Given that the changes will require amendments to be made to the Council's Constitution, the Panel

#### **RECOMMEND**

**that the Panel's new Terms of Reference, as outlined in  
the Appendix A to the Report, be approved.**

**12. ANNUAL REVIEW OF WHISTLEBLOWING POLICY AND PROCEEDURE**

By reference to the enclosed report, a copy of which is attached at Appendix B, the Panel has endorsed changes to the Council's Whistleblowing Policy and Guidance which have been revised to reflect recent changes to the Authorities Management Structure.

Members have been advised that Public Concern at Work has issued a code of practice which provides practical guidance to employers, workers and their representatives and sets out arrangements for raising, handling, training and reviewing whistleblowing in the workplace. To demonstrate that the Council is supportive of those who wish to raise concerns and that harassment, bullying or victimisation of a whistle blower will not be tolerated, the Panel is of the opinion that the Council should sign up to the principles of the code and be one of the first 100 signatories. The Panel therefore

**RECOMMEND**

**that the Council become a signatory to the Public Concern at Work, 'The First 100 Campaign'.**

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**Matters for Information**

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**13. ANNUAL REPORT OF THE PANEL**

The Panel has received and adopted the contents of the draft annual report of the Panel in respect of the year ending 30th September 2014. The report provides an overview of the key issues considered by the Panel during this period and demonstrates the importance of good governance. Having regard to the content of the report, the Panel has agreed that the Council's governance and internal control procedures are generally sound. A copy of the Annual Report is available on the District Council's website.

**14. PROGRESS REPORT**

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

**15. RISK REGISTER**

Changes made to the Risk Register between the period 6th March to 2nd September 2014 were noted by the Panel. Members questioned their role in risk management given the level of detail presented to them and the recent appointment of a Risk Management Champion. Reference also was made of the involvement of the Cabinet and the Overview and Scrutiny Panel (Economic Well-Being). Having agreed that the Panel should be considering the effectiveness of arrangements around risk management Members requested that

clarification over the responsibility for managing risk be referred to the Corporate Management Team.

**16. APPROVAL FOR PUBLICATION OF THE 2013/14 ANNUAL GOVERNANCE STATEMENT AND ANNUAL FINANCIAL REPORT**

The Panel was apprised of the process required to be undertaken prior to the publication of the 2013/14 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 Head of 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.

**17. EXTERNAL AUDITORS: ANNUAL AUDIT LETTER 2013/14**

The Panel has formally received the Annual Audit Letter from the Council's External Auditors, PricewaterhouseCooper for 2013/14. The letter outlines the Auditor's findings, recommendations and fees for the work which has been undertaken during the year.

Having noted that the Auditors Final Fees have yet to be agreed with the Authority and the Audit Commission, Panel Members have received an explanation of the charging process and have been assured that, if appropriate the final level of fees will be challenged by the Head of Resources.

**18. VALUE FOR MONEY AT HUNTINGDONSHIRE DISTRICT COUNCIL**

The Panel has considered the content of the first annual report prepared by the Head of Resources on the Council's achievement of Value for Money (VfM). Value for Money is a term which is used to assess whether or not an organisation has obtained the maximum benefit from the goods and services which it acquires and provides, within the resources available to it. On this occasion the report has been divided into two sections to identify value for money at the service delivery level and value for money in corporate activity.

In terms of the corporate activities which are undertaken to secure value for money for the Authority, Members have drawn attention to the failings which have been identified in the delivery of the Huntingdon Multi-Storey Car Park and the re-development of facilities at One Leisure, St Ives. The Panel has been reminded that following the 2012/13 external audit a number of measures had been put in

place to improve the Council's approach to project management and that the projects referred to had commenced prior to these new arrangements being put into place. Members are firmly of the opinion that this situation should not be allowed to re-occur.

Having noted that the Overview and Scrutiny Panel has established a Select Committee to investigate the Council's approach to project management and the issues which had emerged from the two specific projects outlined above, Members are of the opinion that the resulting report should be presented to the Corporate Governance Panel to enable Members to make an informed comment on the Annual Governance Statement. It has also been suggested that the Council's Procurement Manager should be invited to attend a future meeting of the Panel to provide his comments on the extent to which Council Officers are following procurement recommendations and the effectiveness of his role within the organisation.

Finally, the Panel has reviewed the outcome of a table top review of value for money which had been conducted at service delivery level. Members have suggested that there may be potential to standardise the activities which are being undertaken in different service areas.

**19. ANNUAL REPORT ON THE FREEDOM OF INFORMATION (FOI) AND ENVIRONMENTAL REGULATIONS ACTS**

The Panel has received a report on the number of requests received by the Council under the Freedom of Information (FOI) and Environment Regulations Acts.

Having noted that the number of requests has continued to rise in 2014 and that staffing vacancies within the Division has impacted on the target time for responses, Members have congratulated Officers on only receiving 3 complaints about the handling of FOI requests during this time. The Panel has been pleased to note that performance is now meeting targets.

**20. WHISTLEBLOWING CONCERNS RECEIVED**

The Panel has received and noted a summary of the 22 allegations received under the Council's Whistleblowing Policy during the period 1st January to 31st October 2014. Whilst one allegation with regard to personal social care has been referred to the County Council, the remaining concerns have all been appropriately investigated.

**21. INTERNAL AUDIT SERVICE: INTERNAL PROGRESS REPORT**

The Panel was apprised of the work of the Internal Audit Service during the period 1st April to 31st October 2014, together with associated performance issues. Members have congratulated the Internal Audit and Risk Manager on his qualification as a Chartered Member of the Institute of Internal Auditors.

In terms of the key issues which will have an impact on the work of the service for the remainder of the year, Members have been

informed of the secondment of one of the Team to the post of Accountancy Manager and the decision which had been taken not to retender the IT audit service immediately following the expiration of the current contract, pending the introduction of a shared service arrangement for the Council's IT services.

The Panel has discussed the impact of recent staffing changes in the Audit Team on the delivery of the Audit Plan for the remainder of the year. Having been advised that the Plan has been recast for the remainder of the year based upon the current risks and the availability of resources, Members have been assured that should the Internal Audit and Risk Manager consider that he was not going to be in a position to provide an adequate annual internal audit, he will raise the matter with the Chief Finance Officer and report back to the Panel. The Chairman will continue to be updated on progress with the delivery of the Plan and any further adjustments which may be required.

Disappointment was expressed that only 49% of audit actions have been introduced on time against the target which had been set by the Corporate Management Team of 100%. Further discussion on this matter appears at Item No. 22 of this Report.

The Panel has also queried why the Service Delivery targets for the Internal Audit Team have not been met. Whilst there had been an improvement since March 2014, Members have been reminded that responsibility for these actions was outside of the direct control of the Internal Audit Manager and lay with service managers. The Panel will continue to monitor progress in this area.

## **22. IMPLEMENTATION OF AUDIT ACTIONS**

The Panel has received a report outlining the performance of Heads of Service in implementing agreed audit actions for the year ending 31st October 2014. Having noted that only 49% of actions had been introduced on time, Members have expressed their continuing disappointment that, despite previous assurances which had been given, this remained an issue for the Authority. In view of the fact that there appeared to have been little progress made to address the issue, the Panel has agreed that their concerns should be brought to the attention of the Managing Director.

Having noted the intention of the Council's Chief Finance Officer to give further consideration to the establishment of a mechanism by which Heads of Service will be more accountable for the implementation of audit actions, the Members have discussed the action which can be taken by the Panel to improve the situation. Accordingly, the Internal Audit and Risk Manager has been asked to submit a further report to the Panel's next meeting, to provide an update on the current position and to identify trends in the implementation of actions. In the event of there being no improvement in performance, a further discussion on the action which the Panel wishes to take to address the situation will be held at the next meeting.

**23. WORK PROGRAMME AND TRAINING**

Members of the Panel have received details of their anticipated work programme over the ensuing year. The Panel is of the view that training for Members of the Panel should be mandatory at the start of each municipal year and have asked Officers to give further consideration to the best means of taking this suggestion forward.

**24. OPTIONS FOR FRAUD INVESTIGATION POST SINGLE FRAUD INVESTIGATION SERVICE.**

*(The following item was considered as a confidential item under paragraph 4 of Part 1 of Schedule 12A of the Local Government Act 1972).*

**Along with the Overview and Scrutiny Panel (Economic Well Being) (Item No 23 of their Report refers),** the Panel has considered various options available to the authority once its housing benefit fraud function has been transferred to a Single Fraud Investigation Service in May 2015.

In recognising the potential impact on fraud risk that the transfer will have and the benefits of maintaining a level of fraud prevention and detection, the Panel has recommended to the Cabinet that a smaller fraud team be retained with the aim of being cost neutral.

G J Harlock  
Chairman