

**HUNTINGDONSHIRE DISTRICT COUNCIL**

|                              |                                                                    |
|------------------------------|--------------------------------------------------------------------|
| <b>Title/Subject Matter:</b> | Skills, Knowledge and Effectiveness Review                         |
| <b>Meeting/Date:</b>         | Corporate Governance Committee – 7 December 2016                   |
| <b>Executive Portfolio:</b>  | Strategic Resources: Councillor J A Gray (Deputy Executive Leader) |
| <b>Report by:</b>            | Internal Audit & Risk Manager                                      |
| <b>Wards affected:</b>       | All Wards                                                          |

---

**Executive Summary:**

Committee Members have self-assessed their skills and knowledge across nine key work areas (comprising 24 questions). A review of the self-assessments identified that Members have a good knowledge overall across the following four areas of their terms of reference:

- Values of good governance
- Risk management
- Organisational knowledge
- Countering fraud

There is a shortfall of knowledge in the following five areas:

- The Committee's role and functions
- Governance
- Internal audit
- Financial management and accounting
- External audit

It is proposed that in order to improve Members knowledge of the areas listed above, a series of training presentations are delivered by Officers. Training has previously been provided immediately before a meeting and it is proposed that this be reintroduced.

Members of the Committee have regularly reviewed their own effectiveness to identify any areas for improvement. Committee has previously agreed that the effectiveness review will be conducted in early 2017. Previous reviews have been conducted in a variety of ways - full Committee involvement, setting up of a small working group or the Chairman and Vice-Chairman conducting the review. The Committee need to agree a date for the effectiveness review and decide how they wish to undertake it.

**Recommendation**

It is recommended that the Committee:

1. Agree that a training programme will be agreed with the Committee Chairman and training delivered ahead of Committee meetings; and
2. Agree a date for undertaking their own effectiveness review and the format of that review.

## 1. PURPOSE OF THE REPORT

- 1.1 To inform the Committee of the results of the skills and knowledge self-assessment undertaken in October 2016.

## 2. WHY IS THIS REPORT NECESSARY?

- 2.1 The Committee expanded its membership from eight to twelve Members in May 2016. A self-assessment form was sent to all Members to allow them to judge how well they understood the work of the Committee and to allow it to fulfil its Terms of Reference. This report provides a summary of the results and allows the Committee to determine in what areas they feel that further training or learning is required.

## 3. SKILLS AND KNOWLEDGE SELF-ASSESSMENT

- 3.1 11 self-assessment forms were returned. There were four response options – basic, working, good or expert - to each of the 24 questions asked.
- 3.2 Not unsurprisingly, those Members who have been sitting on the Committee and its forerunner for a number of years have assessed themselves as having a good knowledge in most of the areas. Only two Members regarded themselves as having expert knowledge in any particular area.
- 3.3 It is clear from the responses that the majority of Members consider that they have a good level of knowledge across the following four areas:

|                           |                                                                                                                                                        |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Values of good governance | Whistleblowing arrangements in place, arrangements to uphold ethical standards for both Members and Officers.                                          |
| Risk management           | Understanding of the principles of risk management and the risk management policy and risk strategy.                                                   |
| Organisational knowledge  | Council objectives and functions, decision making and ethical standards.                                                                               |
| Countering fraud          | Understanding the main areas of fraud risk the authority is exposed to, arrangements to tackle fraud and the principles of good fraud risk management. |

However, two questions within the above areas did not score particularly highly;

- Knowledge of the Seven Principles of Public Life; and
- Understanding the role of members and of the Committee with regards to risk management.

- 3.4 Within the following five areas, the majority of Members had assessed themselves as either having a basic or working knowledge. It is for that reason that these five areas have been selected as forming the basis of the initial training programme.

|                                    |                                                                                                     |
|------------------------------------|-----------------------------------------------------------------------------------------------------|
| The Committee's role and functions | Understanding the Committee's role within the governance structure and accountability arrangements. |
| Governance                         | Knowledge of the 2016 Constitution and                                                              |

CIPFA/SOLACE Good Governance Framework and the requirements of the annual governance statement.

|                                     |                                                                                                                                                                                                                                                             |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Internal Audit                      | The arrangements for delivery of the internal audit service and how the role of the head of internal audit is fulfilled. The Public Sector Internal Audit Standards (PSIAS).                                                                                |
| Financial Management and accounting | The requirements of the role of the Chief Financial Officer, as required by the CIPFA Statement on the Role of the Chief Financial Officer in Local Government, awareness of financial statements and the principles that must be followed to produce them. |
| External audit                      | The key reports and assurances that external audit provide, the arrangements for their appointment and monitoring the work they undertake.                                                                                                                  |

#### **4. COMMITTEE EFFECTIVENESS REVIEW**

- 4.1 Whilst it is not a statutory requirement, it is considered best practice (both in the public and private sectors) that the 'audit committee' review their own effectiveness. Such reviews have taken place on a regular basis since 2008.
- 4.2 The Internal Audit & Risk Manager has compiled a checklist of more than 70 questions that have been used as the basis for the review. The checklist is reviewed prior to each review to ensure it is still relevant. The checklist is based upon the Chartered Institute of Public Finance and Accountancy (CIPFA) and the National Audit Office good practice documentation supplemented by best practice from across the private sector.
- 4.3 The review has been conducted in a number of different ways. From the Internal Audit & Risk Manager completing the checklist and discussing it with the Chairman and Vice-Chairman, to the full Committee being invited to attend a half day meeting at which the Head of Resources, Internal Audit & Risk Manager and a Democratic Services representative are present.
- 4.4 In previous years the review has been used as an opportunity to consider the Terms of Reference of the Committee and identify any training needs.
- 4.5 The outcome of the review will be reported to a future meeting together with any action plan. The results of the review are also likely to be reported in both the 2016/17 annual governance statement and the Chairman's annual report to Council.
- 4.6 The Committee (having nearly doubled its membership this year) have a number of Members who have not been involved in the effectiveness review previously. They are being invited to consider how they wish the 2017 review to be conducted.

#### **5. KEY IMPACTS**

- 5.1 It is important that the Corporate Governance Committee acts effectively and is able to challenge the decisions of Officers with regard to the state of governance across the Council. Committee Members need sufficient skills and

knowledge to be able to understand a wide range of issues that fall within their remit.

## **6. LINK TO THE CORPORATE PLAN**

- 6.1 The Corporate Governance Committee provides oversight to the Council by evaluating the effectiveness of risk management, control, and governance processes. These three areas need to be working as efficiently, effectively and economically as possible, which in themselves are a key strand of the Corporate Plan.

## **7. RESOURCE IMPLICATIONS**

- 7.1 There are no direct resource implications arising from this report.

## **8. REASONS FOR THE RECOMMENDED DECISIONS**

- 8.1 The Committee are being asked to consider how they wish training identified from the skills and knowledge self-assessment to be delivered and how they wish to undertake their own effectiveness review.

## **BACKGROUND PAPERS**

Self-assessment skill and knowledge forms

## **CONTACT OFFICER**

David Harwood, Internal Audit & Risk Manager

Tel No: 01480 388115

Email: [david.harwood@huntingdonshire.gov.uk](mailto:david.harwood@huntingdonshire.gov.uk)