

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Corporate Governance Committee  
**AUTHOR/S:** Chief Executive

29 June 2009

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### CORPORATE GOVERNANCE COMMITTEE SELF EVALUATION

#### **Purpose**

1. To report on the findings of the Corporate Governance Committee's self evaluation process and enable the Committee to agree any improvements it wishes to make.

#### **Background**

2. The Corporate Governance Committee agreed that it would like to complete a self-evaluation in time for the first meeting of 2009/10.
3. The Chief Executive oversaw a process whereby feedback was invited from Members of the Council, internal and external auditors, and senior officers. Each was asked to comment on the Committee's performance in its three roles: Internal Audit; External Audit; and its General role - as set out at Appendix A. Comments were also invited on how the committee communicated with and involved other Members.
4. This feedback then informed a discussion held by the committee on 17 June 2009.

#### **Survey findings**

5. Seven responses were received: three members, three officers and one auditor.
6. Three said that they could not respond to the survey as they knew little about the work of the Committee. The low response rate may indicate that others feel equally uninformed and therefore unable to comment.

#### **Self-evaluation findings**

7. On 17 June, the Committee discussed each aspect of their work in turn, informed by the feedback received. Their findings were as follows:
8. The Committee felt that it performed its General Role well but agreed that there was an ongoing need for training during 2009/10. There was also some concern about how topics are identified for the agenda. For example the Committee could have looked at fire risk issues or the consolidation of contracts last year. Members felt a need to develop greater awareness of the Committee's responsibilities and scope.
9. Regarding their External Audit role, the Committee agreed that there was a need to improve communication with external auditors and to ensure their attendance at meetings of the Committee. Whilst feedback suggested that performance in the external audit function had improved over the previous year, Members agreed that they were often hampered by the late submission of reports - most notably the Annual Audit and Inspection Letter. The Committee intends to work with the Chief Executive to improve this situation during 2009/10.
10. Feedback regarding the Internal Audit role suggested that there may have been "too much attention to operational matters, rather than overarching assurances being provided by this

inspection tool". The Committee rejected this; rather they felt there was a need for more detailed attention to some issues, such as those at paragraph 8 above. Members would like to work with officers to develop a more useful statement of the potential consequences of risks identified. They agreed that they would like to rise on the risk maturity index.

11. In considering the Committee's performance on communicating with and involving other Members the Committee acknowledged that very few Members were adequately aware of their work. They agreed that officers should be asked to expand Members' induction to include a briefing on the role of the Corporate Governance Committee (and other committees). During 2009/10 they intend to invite relevant portfolio holders to attend and contribute whenever appropriate.
12. The Committee identified several other ideas for improving performance in 2009/10:
  - Holding a 30-minute planning session prior to each meeting
  - Exploring the opportunities for liaison with equivalent committees of the County Council, the other district councils in Cambridgeshire, and those of the police authority, fire service, PCT and so on
  - Shorter, better focused agendas leading to more efficient working
  - Publicity of activities, such as elements of the Annual Governance Statement
13. The Committee is invited to confirm the findings listed in this report and instruct officers to support them in achieving the improvements identified.

### Implications

14. Financial	none
Legal	none
Staffing	none
Risk Management	The role of the Corporate Governance Committee is central to the good governance and legal compliance of the Council. Self-evaluation and planning for improvement are likely to reduce the risks posed by poor governance and audit arrangements. Without the self-evaluation the Council could miss opportunities for improvement and this could lead to criticism by external inspectors.
Equal Opportunities	none

### Effect on Strategic Aims

19. Evaluating and seeking to improve the work of the Corporate Governance Committee contributes to the commitment to being a listening council, providing first class services accessible to all. Ensuring that the authority has robust governance and audit arrangements in place will protect the provision of services to the community and support the achievement of all the Council's aims.

### Recommendations

20. It is recommended that the Corporate Governance Committee confirms the findings listed in this report and instructs officers to support them in achieving the improvements identified.

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## Functions of the Corporate Governance Committee

### A. General

#### **Responsibility of the Corporate Governance Committee:**

- To review and advise the Council on the embedding and maintenance of an effective system of corporate governance, risk management and internal control.
- To give assurance to the Council that there is a sufficient and systematic review of the corporate governance, risk management and internal control arrangements within the Council.
- in conjunction with the Chief Finance Officer, to commission such “value for money” or special studies as considered appropriate;
- to consider the Performance Indicators and Local Authority Profile as published by the Audit Commission and, as appropriate, initiate investigative action;
- to recommend to the Council action in respect any issues of major concern arising from audit reports and/or management letters.
- to maintain an overview of the main instruments of financial control, such as Standing Orders in relation to contracts, Financial Regulations etc., and, where appropriate, make recommendations to the Council for improvement.
- to approve the Statement of Accounts.

#### **Shared responsibility with the Cabinet:**

- to monitor the overall efficiency and effectiveness of the internal and external audit services.
- to be informed by the Chief Finance Officer, at his discretion, of any matters of suspected fraud and/or maladministration, pending receipt of an interim or final report.

### B. External Audit

#### **Responsibility of the Corporate Governance Committee:**

- to oversee, generally, the work of external audit and provide a suitable forum for discussion of related matters;
- to consider, annually, the programme of work to be performed by external audit and the draft audit time budget;
- to confirm that the managed audit approach between external audit and internal audit is working for the maximum advantage of the Council;
- to receive, upon request, periodic presentations on specialist audit areas or other matters of interest.

#### **Shared responsibility with the Cabinet:**

- to receive copies of all external audit reports including value for money studies;
- to monitor, annually, or more frequently where deemed appropriate, the implementation of agreed recommendations in respect of both external audit reports and management letters.

### C. Internal Audit

#### **Responsibility of the Corporate Governance Committee:**

- to review and confirm annually with the Chief Finance Officer the Audit Risk Index and Strategic Audit Plan;
- in association with the Chief Finance Officer, to consider the total resource requirements for the coming year and the proposed level of fees and fee structure;
- to monitor the activities of the Internal Audit service provider and measure performance against plan;
- to review the annual report of the Internal Audit Manager;
- to examine and review the planning and co-ordination of internal audits with the aim of confirming an effective and efficient service continues to be provided;
- to consider a quarterly report by the Audit Manager detailing audit coverage and the extent to which any major problems were highlighted;
- to consider the draft statement on internal control prior to its inclusion in the ~~statement of accounts~~ (this should now read ‘Annual Governance Statement’).