

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Corporate Governance Committee
AUTHOR: Executive Director Corporate Services

29 June 2010

CORPORATE GOVERNANCE COMMITTEE SELF EVALUATION

Purpose

1. To provide an update on the actions agreed by the Corporate Governance Committee following its self-evaluation exercise of June 2009; and to enable the committee to agree any further actions or progress that it would like to see. This is not a key decision.

Recommendations and Reasons

2. It is recommended that the Corporate Governance Committee notes the progress listed in Appendix B to this report and instructs officers to continue supporting them in achieving the improvements identified. This will enable the Committee to continue to improve, which in turn will benefit the Council.
3. The Committee may also wish to receive a further update in June 2011.

Background

4. The Corporate Governance Committee completed a self-evaluation exercise as reported to the meeting of 29 June 2009.
5. The evaluation was informed by feedback from elected members, internal and external auditors, and senior officers. Each commented 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. The evaluation findings were as follows:
6. 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.
7. 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.
8. 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 6 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.
9. 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). The Committee agreed to invite relevant portfolio holders to attend and contribute during 2009/10 whenever appropriate.

10. 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

Considerations

11. The Committee's aspirations are captured in the action plan at Appendix B which also sets out the progress made on each.
12. There has been some progress on most of the actions, with plans in place to address others as described. The Committee is advised to note the progress and request a further update in June 2011.

Implications

13. 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
Climate Change	none

Consultations

14. As described above, the self-evaluation was informed by feedback from elected members, internal and external auditors, and senior officers, gained primarily in response to a survey.

Effect on Strategic Aims

15. 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.
16. 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.

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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 Annual Governance Statement prior to its inclusion in the statement of accounts

Corporate Governance Committee - Self Evaluation Action Plan 2009/10

Action	Lead Officer	Progress	
Develop greater awareness of the Committee's responsibilities and scope - and how to identify topics	Alex Colyer	There is now a process for regular agenda planning meetings with the committee chairman and lead officer. There is also a standing agenda item for forward-planning	
Improve communication with external auditors and ensure their attendance at meetings	Alex Colyer	Representatives from the internal and external auditors took part in every meeting of the Committee in 2009/10. The District Auditor attended to present key reports as appropriate	
Shorter, better focused agendas leading to more efficient working	Alex Colyer	This has been achieved through the actions above	
Develop a more useful statement of the potential consequences of risks identified	John Garnham	Risk Management Strategy reviewed and new format adopted for Risk register; consequences of risk are now set out much more clearly	
Rise on the risk maturity index	John Garnham	SCDC has risen from Defined/Managed in 2008/09 to Managed in 2009/10 and is aspiring to Enabled.	
Address ongoing need for training	Holly Adams	Patrick Adams coordinating members' training requests for report to portfolio holder 18 May . Includes needs of CGC members	
Expand Members' induction to include a briefing on the role of the Corporate Governance Committee	Holly Adams	Resources now expanded to include CGC. Presented to prospective candidates 8 April; and to new members 11 May	
Ensure timely submission of reports, especially the Annual Audit and Inspection Letter	Alex Colyer	This has improved during 2009/10. The lead officer has regular meetings with the external audit manager	
Invite relevant portfolio holders to attend and contribute whenever appropriate	Alex Colyer	There were four business meetings in 2009/10; the portfolio holders (pfh) for Northstowe and Planning and the Leader each attended once. The pfh for Finance and Staffing attended twice. The Finance and Staffing pfh has already agreed to attend in October 2010 for an item regarding the staff pension fund	
Hold a 30-minute planning session prior to each meeting	Alex Colyer	The Committee has not held pre-meeting planning sessions to date but one is planned to be held in advance of this meeting. Members are invited to consider whether to continue this in future.	

<p>Explore opportunities for liaison (by CGC Chair) 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</p>		<p>Members have not yet pursued this potential learning activity and are invited to consider whether to continue this in future.</p>	
<p>Publicity of activities, such as elements of the Annual Governance Statement</p>	<p>Georgina Hayward</p>	<p>The Executive Director Corporate Services now provides a formal link between the Committee and communications team. Agendas are routinely scrutinised for potential news stories.</p> <p>2009/10 publicity included articles in SCene (Performance Improvement Strategy and winding up of the Improvement Board) and South Cambs magazine (Corporate Plan and Summary of Accounts).</p>	