

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE PANEL held in Civic Suite, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 3 June 2015.

PRESENT: Councillor Mrs D C Reynolds – Chairman.  
Councillors T D Alban, E R Butler and R J West.

APOLOGY(IES): Apologies for absence from the meeting were submitted on behalf of Councillors B S Chapman, K J Churchill, M Francis and Mrs P A Jordan.

IN ATTENDANCE: Councillor D M Tysoe (part).

#### **4. MINUTES**

The Minutes of the meetings held on 25th March and 20th May 2015 were approved as a correct record and signed by the Chairman.

#### **5. MEMBERS' INTERESTS**

There were no declarations of interest received from those Members that were present.

#### **6. CORPORATE GOVERNANCE PANEL PROGRESS REPORT**

The Panel received and noted a report (a copy of which is appended in the Minute Book) of actions taken in response to previous decisions.

In response to a question, the Internal Audit and Risk Manager explained that it had been agreed at the previous meeting that a review of the effectiveness of the Panel would be conducted on the proviso that there was commitment from the full membership of the Panel. Unfortunately not all Members of the Panel were able to attend. As the review was required before the Annual Governance Statement was prepared, and as the majority of the Members were new to the Panel, it was agreed that the Internal Audit and Risk Manager would conduct a review and provide a report to the Panel. Prior to the review it was requested that the Internal Audit and Risk Manager discuss the process with the Chairman.

Regarding the 'Value for Money' item it was explained that the Procurement Manager was currently absent through sickness and an Interim Procurement Manager was currently in post. It was anticipated that the Procurement Manager would be able to attend the meeting in the autumn.

#### **7. IMPLEMENTATION OF AUDIT ACTIONS**

The Panel received and noted a report by the Internal Audit and Risk

Manager (a copy of which is appended in the Minute Book) which provided performance information regarding the implementation of agreed internal audit actions for the year ending 30 April 2015.

Thirteen actions had not been introduced of which two were more than six months late and two were more than one year late. At the request of the Panel the Head of Resources, Corporate Team Manager and Head of Leisure and Health were in attendance at the meeting to provide explanations as to why the internal audit actions relating to their individual service areas remained outstanding.

The Panel expressed a view that it was the responsibility of the Corporate Management Team to ensure that internal audit actions were implemented and, if not, to identify the reasons why. If audit actions had been deemed significant enough to have target deadlines then the actions should have been delivered on time.

The Corporate Team Manager explained that the staff training and development delivered by the LGSS did not currently meet the needs of the staff or of the authority. Once the 2014/15 appraisal process was complete, training needs outside of the LGSS programme would be identified and referred to LGSS in order to update their training programme to reflect the Council's requirements. The Panel were informed that the action would be completed in July.

In response to questions it was explained that most LGSS clients were not District Councils and training provision was only one element of the service delivered by LGSS. The Council had an allocation of 500 training places that were currently under-used. If LGSS were able to deliver the Council's training requirements it was expected that there would be a reduction in off-contract spend.

Regarding the National and Local Indicators audit action the Panel were informed that 50% of these had been completed and the action would also be completed in July.

It was explained that LGSS had been tasked with reviewing the Council's Pay Policy and Flexible Working Policy to resolve the differing rates of overtime and additional hour payments. The action would be completed during 2015/16.

The Head of Resources explained that the once a review of the Council's property and equipment had been finalised the action would be completed as the assets could be apportioned to the appropriate Head of Service, although the majority would be assigned to one service area.

The Commercial Rents and Estates Management action had been separated into two elements. The Panel were informed that the Uniform system had been assessed and was deemed suitable for recording data on commercial rents and estates. However, additional resource might be required in order to transfer the data from the current system into Uniform.

Regarding the prioritisation of maintenance and repair work to ensure that commercial properties was maintained, the Panel were informed that work at Phoenix Court would be complete by the end of this

financial year and the work required at Clifton Road and Levellers Lane would be included in the assessment for the 2016/17 Capital Works Programme.

Regarding the One Leisure Impressions outstanding audit actions, the Head of Leisure and Health explained that there had not been a dedicated Impressions Manager and that interviews were imminent to recruit to this post. Once recruited a review of the Impressions structure and operational matters would be conducted.

The Panel were assured by the Corporate Director (Services) that the Management Team had modified the monitoring of internal audit actions to ensure that the responsible officers were held accountable and that the Panel would begin to realise a different approach over the next few months.

The various changes to the personnel structure at the Council were highlighted by the Panel and in response to a question it was confirmed that the necessary officers were now in post to manage the outstanding audit actions.

The Panel expressed concern that the report was for noting and stated that the outstanding audit actions, along with the Panel's concern should be highlighted to the Cabinet as the audit actions were significantly overdue. Following discussions it was

RESOLVED

That the Corporate Governance Panel notes the report, and;

**RECOMMEND**

**That the Council note the concerns of the Corporate Governance Panel regarding the number of internal audit actions that are significantly overdue and that the Council recommend to the Cabinet that appropriate action is taken to address these concerns.**

## **8. AUDIT ACTIONS DATABASE**

The Panel received a report (a copy of which is appended in the Minute Book) from the Head of Customer Service which was presented in his absence by the Executive Councillor for Customer Services and Corporate Director (Services).

It was explained that following work to migrate SharePoint based systems it had become apparent that some data stored within the Audit Actions Database had been lost and non-recoverable. The reasons for the loss of data were explained and the Panel were assured that improvements had been made to processes to avoid a repeat occurrence in the future.

The Internal Audit and Risk Manager noted that some elements of the missing data related to findings arising from following up on the implementation of internal audit actions. Whilst this information could be identified from copies of email correspondence it was not an

efficient use of officer time to manually search and review this information and subsequently this information would not be included in the Internal Audit Annual Report to the Panel.

The Panel agreed, as per the report, that the loss of data was highly regrettable. However, accepted that improvements had been implemented and

RESOLVED

That the Corporate Governance Panel notes the findings of the report.

## **9. REVIEW OF FRAUD INVESTIGATION ACTIVITY**

Consideration was given to a report by the Benefits Manager which provided an overview of the activity of the Corporate Fraud Team during 2014/2015.

During the year the Fraud Team received 1028 allegations of fraud, investigated 345 cases and identified fraud valued at £464k, recovered 7 social housing properties and conducted 29 prosecutions.

It was noted that the performance was comparable to that of the previous year. This was despite one member of the Fraud Team being absent due to long-term sickness, the resignation of the Fraud Manager, the transfer of benefit fraud work to the Department for Work and Pensions (DWP) and the Council being involved in two county-wide fraud initiatives. The Cambridgeshire Tenancy Fraud Forum (CTFF), was funded by the Department for Communities and Local Government (CLG) and established in 2013, continued to operate throughout 2014/15. The Council was also the lead authority in a successful bid for funding from CLG to implement the Cambridgeshire Anti-Fraud Network (CAFN) as a successor to the CTFF.

It was anticipated that the CAFN would work to address Council Tax Discount fraud and Tenancy fraud. Once the remit of the CAFN had been established an exercise to determine other types of fraud that the CAFN could address would be conducted including looking at the Corporate Risk Register and issues identified during internal audits, as well as working with services across the Council.

In response to questions by the Panel it was explained that on 1st May 2015 three Investigating Officers transferred to the DWP resulting in the Fraud Team comprising of a Team Leader, Investigator and an Intelligence Officer. All allegations of fraud were assessed by the Fraud Team and those that were malicious, or did not relate to Council business or were of a value that did not warrant a full investigation or a potential prosecution were not investigated. The Fraud Team conducted on-going data matching exercises across a range of Council databases as part of their Work Programme.

The Corporate Governance Panel expressed appreciation to the Benefits Manager and the Fraud Team on its success, particularly under the difficult circumstances and

RESOLVED

That the Corporate Governance Panel notes the report.

**10. ANTI-FRAUD AND CORRUPTION STRATEGY REPORT**

By way of a report by the Head of Customer Services (a copy of which is appended in the Minute Book), in his absence the Internal Audit and Risk Manager explained that the Council's Anti-Fraud and Corruption Strategy had been revised to incorporate the recently published Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on managing the risk of fraud and corruption; the accompanying guidance notes published in December 2014; and the changes within the Corporate Fraud Team to focus on issues other than welfare fraud.

The Corporate Fraud Team were currently reviewing their workload post the introduction of the Single Fraud Investigation Service (SFIS) and the reduction in welfare related investigations. It was expected that the draft work programme would be finalised during the autumn. At the previous meeting the Panel decided to disband the Fraud Working Group and that a new Fraud Working Group should feature as an item on the Corporate Governance Panel Progress Report. It was now recommended that a Fraud Working Group should not be re-established until the Corporate Fraud Team's Work Programme had been agreed.

The Panel were referred to paragraph 3.2 of the officer's report which listed the key issues that had been incorporated into the revised Anti-Fraud and Corruption Strategy.

It was noted by a Panel Member that the Fraud Working Group had raised the profile of fraud within the district which the Council would not want to lose. The Fraud Team should know that the Corporate Governance Panel were approachable should officers believe it necessary to meet.

It was explained that once the remit of the Cambridgeshire Anti-Fraud Network had been agreed, the types of fraud that it would investigate could be identified for instance procurement fraud. Therefore it would be preferable to consider the matter later in the year. Whereupon it was

RESOLVED

That the Corporate Governance Panel:

- i. Approve the Anti-Fraud and Corruption Strategy attached as Appendix 1 of the officer's report; and
- ii. Agree that the re-establishment of a Fraud Working Group be postponed until the draft Work Programme to support the strategy had been considered by the Corporate Management Team.

## **11. RISK REGISTER UPDATE**

The Panel received a report (a copy of which is appended in the Minute Book) regarding changes that had been made to the Risk Register between 2nd September 2014 to 19th May 2015.

The Panel received update reports twice a year on the Risk Register and it was noted that Appendix 2 of the report detailed a summary of the amendments that had been made to the Register.

The Internal Audit and Risk Manager stated that a note which had been prepared at the request of the previous Panel Chairman detailing the role of the Corporate Governance Panel and others would be circulated to the Panel Members.

It was noted that future reports would differ in format. Detailed information on risk management matters would be presented to the Cabinet, to allow them to fulfil their responsibilities as contained in the Risk Management Strategy.

In response to a question regarding whether there would be a change to the Risk Management Champion now that Councillor Harrison had been appointed to the Cabinet, it was explained that when the Risk Management Strategy was presented to the Cabinet the appointed Member Champion would be included within this report.

In addition to accepting the recommendation contained with the officer's report, the Panel

### **RESOLVED**

To note the report; and

Note that each of the very high residual risks be report to the Cabinet for consideration, as per the Risk Management Strategy.

*At the conclusion of the above item, at 7.50pm, Councillor Tysoe left the room and did not return to the meeting.*

## **12. WHISTLEBLOWING POLICY, GUIDANCE AND CONCERNS RECEIVED**

Consideration was given to a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) regarding the Council's Whistleblowing Policy and Guidance that had been reviewed, and a summary of the whistleblowing concerns that had been received during the 2014/2015 financial year.

The Whistleblowing Policy and Guidance was reviewed annually and during the review in 2014, the Panel had recommended to Council that it become a signatory to the Public Concern at Work (PCaW) 'The First 100 Campaign', which was established to allow organisations to make a public commitment to support the PCaW Whistleblower Code of Practice.

Subsequently a number of changes had been made to both the Policy and Guidance to reflect the PCaW Whistleblower Code of Practice and a recent Employment Appeal Tribunal decision where the first 'in the public interest' definition had been applied. The main changes proposed to the Policy and Guidance were listed in paragraph 3.6 of the officer's report.

There were no significant amendments proposed to the Policy and Guidance. However, it was noted that the Policy now applied to all Council employees and contractors working for the Council on its premises as well as suppliers and those providing services under a contract with the Council in their own premises.

The Chairman noted that on occasions Councillors were approached by officers with concerns and in order to assist Councillors when dealing with these queries the Internal Audit and Risk Manager had agreed to circulate the Whistleblowing Policy and Guidance to all Councillors.

The Panel

RESOLVED

- i. to approve the revised Whistleblowing Policy and Guidance;  
and
- ii. to note the whistleblowing concerns received.

### **13. WORK PROGRAMME AND TRAINING**

By way of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) Members were acquainted with a Work Programme for the Panel for the forthcoming twelve months and a training programme based upon the Panel's Terms of Reference.

The Panel were informed that an induction session aimed at providing a general oversight of governance structures and an introduction to their programme of work was scheduled immediately prior to the next Panel meeting in July.

Tabled at the meeting was an advice note regarding the forthcoming review of the Council's Constitution. The Panel were informed that a Working Group would be formed encompassing a broad spectrum of Councillors. Whereupon it was

RESOLVED

That the Corporate Governance Panel note the programme of work and approve the training programme.

Chairman