

A meeting of the **CORPORATE GOVERNANCE COMMITTEE** will be held in **CIVIC SUITE 0.1A, PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON PE29 3TN** on **WEDNESDAY, 13 JUNE 2018** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact
(01480)**

APOLOGIES

1. MINUTES (Pages 5 - 12)

To approve as correct records the Minutes of the meetings of the Committee held on 28th March and 23rd May 2018.

**A Roberts
388015**

2. MEMBERS' INTERESTS

To receive from Members declarations as to disclosable pecuniary and other interests in relation to any Agenda Item.

3. UPDATE ON CODE OF CONDUCT AND REGISTER OF DISCLOSABLE PECUNIARY INTERESTS (Pages 13 - 20)

To consider a report by the Member Support Assistant on the Code of Conduct and the Register of Disclosable Pecuniary Interests.

**T Batha
388924**

4. CODE OF CONDUCT COMPLAINTS - UPDATE (Pages 21 - 24)

To consider a report by the Elections and Democratic Services Manager and Deputy Monitoring Officer on cases of alleged breaches of the Code of Conduct,

**L Jablonska
388004**

5. EXCLUSION OF THE PRESS AND PUBLIC

To resolve:

that the press and public be excluded from the meeting because the business to be transacted contains information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

6. ANNUAL REVIEW OF BENEFITS RISK BASED VERIFICATION POLICY (Pages 25 - 42)

To consider a report by the Revenues and Benefits Manager regarding revisions to the Risk Based Verification Policy.

**A Burns
388122**

7. RE-ADMISSION OF THE PRESS AND PUBLIC

To resolve:

that the press and public be re-admitted to the meeting.

8. REVIEW OF FRAUD INVESTIGATION ACTIVITY (Pages 43 - 54)

To consider a report by the Revenues and Benefits Manager containing a summary of the activity of the Council's Corporate Fraud Team in 2017/18, including the number of investigations undertaken, types of investigation and the value of the fraud identified.

**L Martin
388861**

9. REVIEW OF REGULATION OF INVESTIGATORY POWERS ACT (RIPA) POLICY (Pages 55 - 94)

To consider a report by the Revenues and Benefits Manager on the outcome of the review of the Regulation of Investigatory Powers Act (RIPA) Policy.

**L Martin
388861**

10. LOCAL CODE OF CORPORATE GOVERNANCE (Pages 95 - 122)

To consider a report by the Internal Audit and Risk Manager on proposed changes following a review of the Local Code of Corporate Governance.

**D Harwood
388115**

11. WHISTLEBLOWING POLICY, GUIDANCE AND CONCERNS RECEIVED (Pages 123 - 134)

To consider a report by the Internal Audit and Risk Manager on the outcome of a review of the Whistleblowing Policy and Guidance and on the allegations received under the Policy in the year to the end of March 2018.

**D Harwood
388115**

12. INTERNAL AUDIT SERVICE: ANNUAL REPORT 2017/18 (Pages 135 - 152)

To consider the annual report and opinion of the Internal Audit and Risk Manager.

**D Harwood
388115**

13. ANNUAL REPORT OF THE COMMITTEE (Pages 153 - 166)

To consider the Annual Report to the Council in respect of the year ending April 2018 on the work that has been undertaken by the Corporate Governance Committee.

**D Harwood
388115**

14. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT (Pages 167 - 168)

To receive the Corporate Governance Committee Progress Report.

**A Roberts
388015**

Dated this 5 day of June 2018



Head of Paid Service

Notes

1. Disclosable Pecuniary Interests

- (1) *Members are required to declare any disclosable pecuniary interests and unless you have obtained dispensation, cannot discuss or vote on the matter at the meeting and must also leave the room whilst the matter is being debated or voted on.*
- (2) *A Member has a disclosable pecuniary interest if it -*
- (a) relates to you, or*
 - (b) is an interest of -*
 - (i) your spouse or civil partner; or*
 - (ii) a person with whom you are living as husband and wife; or*
 - (iii) a person with whom you are living as if you were civil partners*
- and you are aware that the other person has the interest.*
- (3) *Disclosable pecuniary interests includes -*
- (a) any employment or profession carried out for profit or gain;*
 - (b) any financial benefit received by the Member in respect of expenses incurred carrying out his or her duties as a Member (except from the Council);*
 - (c) any current contracts with the Council;*
 - (d) any beneficial interest in land/property within the Council's area;*
 - (e) any licence for a month or longer to occupy land in the Council's area;*
 - (f) any tenancy where the Council is landlord and the Member (or person in (2)(b) above) has a beneficial interest; or*
 - (g) a beneficial interest (above the specified level) in the shares of any body which has a place of business or land in the Council's area.*

Non-Statutory Disclosable Interests

- (4) *If a Member has a non-statutory disclosable interest then you are required to declare that interest, but may remain to discuss and vote providing you do not breach the overall Nolan principles.*
- (5) *A Member has a non-statutory disclosable interest where -*
- (a) a decision in relation to the business being considered might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the council tax payers, rate payers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the authority's administrative area, or*
 - (b) it relates to or is likely to affect a disclosable pecuniary interest, but in respect of a member of your family (other than specified in (2)(b) above) or a person with whom you have a close association, or*
 - (c) it relates to or is likely to affect any body –*
 - (i) exercising functions of a public nature; or*
 - (ii) directed to charitable purposes; or*
 - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) of which you are a Member or in a position of control or management.*

and that interest is not a disclosable pecuniary interest.

2. Filming, Photography and Recording at Council Meetings

The District Council supports the principles of openness and transparency in its decision making and permits filming, recording and the taking of photographs at its meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is

happening at meetings. Arrangements for these activities should operate in accordance with guidelines agreed by the Council and available via the following link [filming, photography and recording at council meetings.pdf](#) or on request from the Democratic Services Team. The Council understands that some members of the public attending its meetings may not wish to be filmed. The Chairman of the meeting will facilitate this preference by ensuring that any such request not to be recorded is respected.

Please contact Anthony Roberts, Democratic Services, Tel: 01480 388015 / email Anthony.Roberts@huntingdonshire.gov.uk if you have a general query on any Agenda Item, wish to tender your apologies for absence from the meeting, or would like information on any decision taken by the Committee/Panel.

Specific enquiries with regard to items on the Agenda should be directed towards the Contact Officer.

Members of the public are welcome to attend this meeting as observers except during consideration of confidential or exempt items of business.

Agenda and enclosures can be viewed on the District Council's website – www.huntingdonshire.gov.uk (*under Councils and Democracy*).

If you would like a translation of Agenda/Minutes/Reports or would like a large text version or an audio version please contact the Elections & Democratic Services Manager and we will try to accommodate your needs.

Emergency Procedure

In the event of the fire alarm being sounded and on the instruction of the Meeting Administrator, all attendees are requested to vacate the building via the closest emergency exit.

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Wednesday, 28 March 2018.

PRESENT: Councillor M Francis – Chairman.
Councillors Mrs S Conboy, Mrs R E Mathews, R J West, D M Tysoe and J M Palmer.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors E R Butler, D B Dew, Mrs L A Duffy, T Hayward, P Kadewere and D A Giles.

IN ATTENDANCE: Councillor J A Gray.

49. MINUTES

The Minutes of the meeting of the Committee held on 17th January 2018 were approved as a correct record and signed by the Chairman.

50. COUNCILLOR T HAYWARD

The Chairman informed Members that the meeting of the Committee would have been Councillor Terry Hayward's last and that he intended to write to express his appreciation of Councillor Hayward's contribution to the Committee's work and to wish him well for the future.

51. MEMBERS' INTERESTS

No declarations of interests were received.

52. GRANT CERTIFICATION 2016/17

Consideration was given to a report by the Benefits Systems and Development Team Manager (a copy of which is appended in the Minute Book) to which was attached the External Auditor's Annual Certification Report 2016/17 produced by Ernst and Young LLP following its audit of the Housing Benefit scheme. Members were reminded that the Council administered the scheme on behalf of, and claimed a subsidy from, the Department for Work and Pensions.

The Committee was informed that in 2016/17 the Council received £34.3m of Housing Benefit grant and was subject to external audit. If an error was identified the audit instructions required that additional testing was undertaken. Some minor errors were identified during the audit but there was no materiality on external audit grant certification work for the Department of Works and Pensions so the additional testing had not resulted in an increase in charges to the Council. The errors identified amounted to £424.97 in the context of the total benefits budget of £34.3m.

In response to a question by Member, the Benefits Systems and Development Team Manager informed the Committee that Benefits transactions were complex so regular training was provided and accuracy checks were undertaken. Whereupon, it was

RESOLVED

that that contents of the External Auditor's Annual Certification Report 2016/17 be noted.

53. CODE OF CONDUCT COMPLAINTS - UPDATE

By means of a report by the Elections and Democratic Services Manager (a copy of which is appended in the Minute Book), in accordance with its responsibility for monitoring the operation of the Code of Conduct, the Committee was provided with general information on alleged breaches of the Code. In response to questions by a Member, the Elections and Democratic Services Manager reported that the Induction programme for new Councillors included a session on the Code of Conduct and that she would be working with some local councils to reduce the number of events leading to complaints under the Code.

RESOLVED

that the progress of outstanding complaints and the conclusion of cases resolved since the last meeting be noted.

54. ANTI-FRAUD AND CORRUPTION STRATEGY 2018-2012

By way of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) the Committee was acquainted with proposed changes to the Anti-Fraud and Corruption Strategy. The Strategy had been updated to reflect the requirements of the Local Government Counter Fraud and Corruption Strategy 2016/17, which was published by the CIPFA Counter Fraud Centre, and the June 2017 briefing from the Internal Audit Standards Advisory Board on the Internal Audit role in counter fraud.

Members' attention was drawn to the main changes that had been made to the Strategy. Having then received confirmation from the Internal Audit and Risk Manager that in his view he had sufficient resources to meet the requirements of the Strategy, it was

RESOLVED

that the Anti-Fraud and Corruption Strategy 2018-2021 be approved.

55. EXTERNAL AUDIT PLAN

(N Harris and H Clark of Ernst Young LLP, the Council's External Auditors, were in attendance for consideration of this item).

The Committee received a report by the Head of Resources (a copy of which is appended in the Minute Book) to which was attached the

Council's External Audit Plan 2017/18. The Plan had been produced by the External Auditors, Ernst and Young LLP. N Harris explained how his team intended to complete the audit.

Members' attention was drawn to the risk based focus of the audit, particularly the valuation of investment property and property, plant and equipment valuation. Following a question by a Member, it was confirmed that work on the valuation of investments had been chosen because this matter had been brought to the Auditors' attention as requiring examination. With regard to property valuation, it was stressed that much of the estate had been in the Council's ownership for a significant amount of time and issues now associated with it were inherited.

The figure for materiality had been set at £1.808m, which represented 2% of the prior year's gross expenditure. The figure for performance materiality was £0.904m which represented 50% of materiality compared with 75% for the previous year. The change was attributed to a number of factors including difficulties experienced the previous year and the condensed closedown period. Further on the latter, assurances were received that as much work as possible would be brought forward; however, more estimation would be required.

Reference was made to two areas of audit risk contained in the section of the Plan on Value for Money. Members discussed the Council's trading companies and it was confirmed that the Auditors had significant experience of auditing such entities.

The Committee noted the indicative fee scale for the audit of the Council, not taking into account any additional work that might be required, and the timetable for the key stages of the audit. If any problems arose, they would be discussed with Officers and, if necessary, reported to the Committee. Having requested that the audit assessment of the Council's financial resilience should be explicitly stated, it was

RESOLVED

- a) that the content of the External Audit Plan for 2017/18 attached as an Appendix to the report now submitted be noted, and
- b) that the timetable for reports and updates to the Committee as set out in paragraph 4.6 of the report now submitted be noted.

56. ANNUAL GOVERNANCE STATEMENT: SIGNIFICANT ISSUES

The Committee gave consideration to a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) on the significant governance issues to be included in the 2017/18 Annual Governance Statement (AGS). By way of introduction the Managing Director provided Members with a detailed explanation of the approach taken to the identification of the proposed significant governance issues. Taking into account the views of the National Audit Office on the financial sustainability of local authorities, the Council had examined the issues that would exert pressure on it

during the period of the Medium Term Financial Strategy (MTFS). This had led to the identification of five themes, which were analysed in the report.

Extensive debate ensued on the approach that was proposed, which differed from that previously employed. Some Members held that the AGS should contain matters for which the Council was responsible and able to address while exerting influence on those bodies that were responsible for the items listed in the report. Others supported the proposed approach on the grounds that a more strategic orientation should be adopted and the matters listed could severely impair the Council's financial position and, therefore, its ability to function. Comment was made on the importance of leadership in regard to the identified issues and on how they would be taken forward. In response to the latter, Members were informed that work had already commenced on them and that this work fitted with the Council's structural emphasis on LEAN and transformation. Furthermore, it would be necessary to map the impact on the Council of the significant issues in the MTFS.

Mr N Harris, Executive Director of Ernst and Young LLP, the Council's External Auditor, was asked to comment on the AGS. In doing so he welcomed the change in approach and stated that it was consistent with his findings, was necessary in a changing environment and was based on sound principles.

All Members recognised the validity of the issues identified given their potential to have a significant impact on the Council and concurred with a suggestion that reference should be made to the regional situation in the significant governance issues. Whereupon, it was

RESOLVED

that, subject to the inclusion of a regional perspective, the following significant governance issues be approved for inclusion in the 2017/18 Annual Governance Statement:

- Housing Affordability;
- Morbidity / growing number of years of ill health;
- Wider economic environment;
- Skill levels and educational attainment, and
- Partner agency operational issues.

57. INTERNAL AUDIT CHARTER AND 2018/19 AUDIT PLAN

The Committee considered a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) containing details of the Internal Audit Charter and the 2018/19 Internal Audit Plan as required by the Public Sector Internal Audit Standards (PSIAS).

Members were advised that Internal Audit had to be independently, externally assessed at least once every five years to establish whether or not it conformed to the PSIAS and the latest assessment was expected to be completed by March 2019. Prior to then, changes were required to the Internal Audit Charter to comply with the 2017 version of the PSIAS, the main one of which was the adoption of the

mandatory elements of the global Institute of Internal Auditors International Professional Practices Framework, namely the definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing. Furthermore, some areas of the Charter had been clarified and changes to be introduced to the 2018/19 audit planning process had been incorporated. Finally on the Charter, it was noted that it now covered the Council's commercial activities.

With regard to the Internal Audit Plan, Members were advised that the approach to its preparation had been changed for 2018/19. On a trial basis, it would cover a three month period and be updated quarterly. This was intended to be more responsive to change and to assist managers to deal with risk. The trial would be evaluated and if it failed to demonstrate the expected benefits, the Council would revert to the previous approach. The other Cambridgeshire authorities were adopting the same approach.

In response to a question by a Member, Councillor J A Gray, Executive Member for Strategic Resources, stated that he had received assurance from the Internal Audit and Risk Manager that he had sufficient resources to deliver an audit opinion. In addition, he expressed the view that the approach to audit should be to assist managers and promote best practice rather than to deliver enforcement. Audit should focus on areas where it was needed, which would be identified through the risk appetite statement. On the basis that the Council did not require "substantial" assurance in all areas, this view was endorsed by the Committee.

RESOLVED

- a) that the Internal Audit Charter attached at Appendix 1 to the report now submitted be approved; and
- b) that the Internal Audit Plan for quarter 1 2018/19 attached at Appendix 2 to the report now submitted be approved.

58. ANNUAL REVIEW OF ACCOUNTING POLICIES AND OTHER CHANGES ON THE ANNUAL FINANCIAL REPORT 2017/18 AS A CONSEQUENCE OF THE CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING IN THE UK 2017/18.

Consideration was given to a report by the Head of resources (a copy of which is appended in the Minute Book) on the outcome of the annual review of accounting policies applied by the Council when producing the Annual Financial Report 2017/18. Members were reminded that best practice required the Council regularly to review its adopted accounting policies to ensure they remained appropriate and reflected any changes in accounting requirements.

Members were informed that three polices required amendment, all of which were considered to be minor. In addition, a number of other changes were recommended as a consequence of the 2017/18 Accounting Code of Practice. The changes would not have any direct financial implications for the Council. In the circumstances, it was

RESOLVED

that the amendments to the accounting policies and other Code changes as set out in the report now submitted be approved.

59. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

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

60. COUNCILLOR M FRANCIS

Members placed on record their appreciation of the role fulfilled by Councillor Mike Francis as Chairman of the Committee. They commented on his personal approach and the progress made by the Committee. He would be much missed following his decision not to stand again at the forthcoming election. The Committee wished him well for the future.

In reply Councillor Francis stated that it had been a privilege to be Chairman of the Committee and thanked Members and Officers for their support.

Chairman

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Wednesday, 23 May 2018.

PRESENT: Councillors Mrs M L Beuttell, E R Butler, J W Davies, Dr P L R Gaskin, D A Giles, P Kadewere, H V Masson, Mrs S Smith and D R Underwood.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors L W McGuire and J P Morris.

1. ELECTION OF CHAIRMAN

RESOLVED

that Councillor M McGuire be elected Chairman of the Committee for the ensuing Municipal Year.

2. MEMBERS' INTERESTS

No declarations of interests were received.

3. APPOINTMENT OF VICE-CHAIRMAN

RESOLVED

that Councillor P L R Gaskin be appointed Vice-Chairman of the Committee for the ensuing Municipal Year.

Chairman

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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Update on Code of Conduct and Register of Disclosable Pecuniary Interests

Meeting/Date: Corporate Governance Committee
13 June 2018

Report by: Tom Batha, Member Support Assistant

Ward(s) affected: All Wards

Executive Summary:

The Monitoring Officer has a duty to establish and maintain a register of Disclosable Pecuniary Interests (DPIs) and this report provides the Committee with an update on the current level of returns and to consider any action that might be necessary to encourage those Councillors who continue to fail to return their forms to comply.

While there are currently 5 DPIs outstanding, there has been a significant turnover of new Town and Parish Councillors following the recent election and those not received relate to new Councillors. Further reminders will be issued to the Clerks where DPIs have not been returned and the details will be published as soon as these are received.

Recommendation(s):

The Committee is requested to consider and comment on the report.

1. WHAT IS THIS REPORT ABOUT?

- 1.1 Chapter 7 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of disclosable pecuniary or other interests of Members of the District Council and the District Council also continues to be responsible for maintaining the Register for Parish Councils. The register is open for inspection at the District Council's offices and published on the District Council's website. Where a Parish Council has a website, the District Council is required to provide that Council with the information necessary to enable it to publish their current register on its own website. Information in respect of the DPIs of each Parish Council is presented in Appendix 1.
- 1.2 Each Parish Council also has a duty to adopt a Code of Conduct. All Town and Parish Councils were requested to advise the Monitoring Officer when their Council had adopted a new Code and to confirm whether it was identical to that adopted and promoted by the District Council or alternatively the version produced by the National Association of Local Councils (NALC) or any other.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Committee is responsible for maintaining high standards of conduct by Members of the District and Town and Parish Councils, for monitoring operation of the Code of Conduct and for considering the outcome of investigations in the event of breaches of the Code. The District Council has a duty to maintain and publish the Registers of Pecuniary Interests of both the District and Town and Parish Councils. Those Members who fail to comply with the 2011 Act are guilty of an offence and liable to a maximum fine of £5,000 and disqualification for up to 5 years.
- 2.2 This report describes the current position in relation to both of these matters.

3. ANALYSIS/REPORT

- 3.1 All DPI forms that have been received have been published. Any changes made to pecuniary interests have also been published.
- 3.2 Of 71 Town and Parish Councils, 41 have had their full Register published on the District Council's website. 30 Parishes have published their Register with vacancies, with three of these still to return DPIs for some of their Councillors.
- 3.3 In terms of individual DPIs, 586 out of a total of 650 have been received from Parish Councillors; with 59 vacant and 5 outstanding. The up to date position on each Council is noted in Appendix 1. The Committee will appreciate that it is unlikely that there will ever be a complete return at any one time because of the ever changing nature of Parish Council membership.
- 3.4 All District Councillors' DPI forms are uploaded onto the Council's website.

4. KEY IMPACTS? HOW WILL THEY BE ADDRESSED?

- 4.1 The Corporate Team regularly requests updates from those Parish Councils where DPIs are outstanding. Similarly, incomplete or inaccurate forms are returned to Parish Councils with a request to revise and return. All Parish Councils are asked twice a year to verify details held by the District Council regarding DPIs and the Code of Conduct adopted by each Parish Council.

5. WHAT ACTIONS WILL BE TAKEN

- 5.1 Parish Clerks are regularly reminded by email to submit DPI forms as soon as possible following any changes. Further reminders will be issued to the Clerks where DPIs have not been returned and the details will be published as soon as these are received.

6. LINK TO THE CORPORATE PLAN

- 6.1 The Council's strategic priorities include enabling communities. By ensuring that DPIs are published, the Council is supporting local accountability and transparency in decision making which contributes to the objective to develop stronger and more resilient communities to enable people to help themselves.

7. CONSULTATION

- 7.1 Not applicable.

8. LEGAL IMPLICATIONS

- 8.1 While there is no legal obligation upon Town and Parish Councils to notify the Monitoring Officer, records indicate that all Town and Parish Councils have adopted a Code of Conduct. 57 of those Parish Councils have adopted a Code based on that adopted by the District Council. 12 Town and Parish Councils have opted for the Code promoted by NALC, and two have adopted their own version of the Code. The up to date position on each Council is noted in Appendix 2.

9. REASONS FOR THE RECOMMENDED DECISIONS

- 9.1 The Committee take a role in maintaining high standards of conduct by Members and monitoring the Code of Conduct.

10. LIST OF APPENDICES INCLUDED

Appendix 1 – Summary of Town and Parish Councils Disclosable Pecuniary Interests (DPI) forms

Appendix 2 – List of Town and Parish Council New Standards Regime and Code of Conduct.

BACKGROUND PAPERS

None.

CONTACT OFFICER

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Number	Town/Parish Council	No of Cllrs	DPI Rec'd	Vacancy	DPI Outstanding
1	Abbots Ripton	6	6		
2	Abbotsley	7	6	1	
3	Alconbury	11	11		
4	Alconbury Weston	7	7		
5	Alwalton	5	5		
6	Barham & Woolley	5	5		
7	Bluntisham	11	9	2	
8	Brampton	15	15		
9	Brighton & Molesworth	5	4	1	
10	Broughton	7	7		
11	Buckden	15	14	1	
12	Buckworth	5	5		
13	Bury	9	9		
14	Bythorn & Keyston	5	5		
15	Catworth	7	7		
16	Colne	9	9		
17	Conington	5	4	1	
18	Earith	11	8	3	
19	Easton	5	5		
20	Ellington	7	7		
21	Elton	9	7	2	
22	Farcet	11	6	2	3
23	Fenstanton	13	9	4	
24	Folksworth & Washingley	9	8	1	
25	Glatton	5	5		
26	Godmanchester	17	17		
27	Grafham	7	7		
28	Great & Little Gidding	7	5	2	
29	Great Gransden	9	7	2	
30	Great Paxton	9	8	1	
31	Great Staughton	9	9		
32	Hail Weston	7	7		
33	Hemingford Abbots	7	7		
34	Hemingford Grey	13	11	1	1
35	Hilton	9	9		
36	Holme	7	7		
37	Holywell cum Needingworth	13	13		
38	Houghton & Wyton	9	8	1	
39	Huntingdon	19	19		
40	Kimbolton & Stonely	11	11		
41	Kings Ripton	5	5		
42	Leighton Bromswold	7	5	2	
43	Little Paxton	15	14	1	
44	Offord Cluny & Offord Darcy	11	10	1	
45	Old Hurst	7	7		
46	Old Weston	7	7		
47	Perry	8	5	3	
48	Pidley cum Fenton	7	6	1	
49	Ramsey	17	17		
50	Sawtry	15	8	6	1
51	Sibson cum Stibbington	7	6	1	
52	Somersham	15	8	7	
53	Southoe & Midloe	7	7		
54	Spaldwick	7	7		
55	St Ives	17	17		
56	St Neots	21	20	1	
57	Stilton	11	11		
58	Stow Longa	5	5		
59	The Stukeleys	9	7	2	
60	Tilbrook	5	5		
61	Toseland	5	5		
62	Upton & Coppingford	6	4	2	
63	Upwood & The Raveleys	9	9		
64	Warboys	15	15		
65	Waresley cum Tetworth	5	5		
66	Wistow	7	6	1	
67	Woodhurst	7	6	1	
68	Woodwalton	5	3	2	
69	Wyton on the Hill	7	4	3	
70	Yaxley	17	17		
71	Yelling	7	7		
Totals		650	586	59	5

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Town and Parish Council New Standards Regime and Code of Conduct

Town/Parish Council	HDC Code	NALC Code	Own Code
Abbotsley	X		
Abbots Ripton		X	
Alconbury	X		
Alconbury Weston		X	
Alwalton	X		
Barham & Woolley	X		
Bluntisham	X		
Brampton	X		
Brington & Molesworth	X		
Broughton	X		
Buckden	X		
Buckworth	X		
Bury	X		
Bythorn & Keyston	X		
Catworth	X		
Colne			X
Conington	X		
Earith		X	
Easton	X		
Ellington	X		
Elton	X		
Farcet		X	
Fenstanton	X		
Folksworth & Washingley		X	
Glatton	X		
Godmanchester	X		
Grafham	X		
Great & Little Gidding	X		
Great Gransden	X		
Great Paxton	X		
Great Staughton	X		
Hail Weston		X	
Hemingford Abbots	X		
Hemingford Grey	X		
Hilton	X		
Holme	X		
Holywell cum Needingworth	X		
Houghton & Wyton			X
Huntingdon	X		
Kimbolton & Stonely	X		
Kings Ripton	X		
Leighton Bromswold	X		
Little Paxton	X		
Offord Cluny & Offord Darcy		X	
Old Hurst		X	

Town and Parish Council New Standards Regime and Code of Conduct

Town/Parish Council	HDC Code	NALC Code	Own Code
Old Weston	X		
Perry	X		
Pidley cum Fenton	X		
Ramsey	X		
Sawtry	X		
Sibson cum Stibbington	X		
Somersham	X		
Southoe & Midloe	X		
Spaldwick	X		
St Ives	X		
St Neots	X		
Stilton		X	
Stow Longa	X		
The Stukeleys	X		
Tilbrook	X		
Toseland	X		
Upton & Coppingford	X		
Upwood & The Raveleys	X		
Warboys	X		
Waresley cum Tetworth		X	
Wistow	X		
Woodhurst		X	
Woodwalton		X	
Wyton on the Hill	X		
Yaxley	X		
Yelling	X		
TOTAL	57	12	2

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Code of Conduct Complaints - Update

Meeting/Date: Corporate Governance Committee – 13th June 2018

Executive Portfolio: Councillor G J Bull, Executive Leader

Report by: Elections and Democratic Services Manager & Deputy
Monitoring Officer

Ward(s) affected: All

Executive Summary:

This report provides Members with an update on complaints cases regarding alleged breaches of the Code of Conduct. The Committee is responsible for maintaining high standards of conduct by Members of the District and Town and Parish Councils, for monitoring operation of the Code of Conduct and for considering the outcome of investigations in the event of breaches of the Code.

Recommendation:

The Committee is requested to note the progress of any outstanding complaints and the conclusion of cases resolved since the last meeting.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide a summary and update of completed or ongoing complaints received regarding alleged breaches of the Code of Conduct under the Localism Act 2011 since the start of the year.

2. BACKGROUND

- 2.1 In accordance with the functions of the Committee, this report seeks to provide a summary of the current position in relation to the Code of Conduct complaints since the last meeting.
- 2.2 At the meeting of the Committee on 13th September 2017, Members requested that this report be submitted on a quarterly basis and to include categories of the Code of Conduct cases to enable feedback to be given to Town and Parish Councils should similar themes emerge on the nature of the complaints to enable further training to be arranged.

3. ANALYSIS

- 3.1 Details of allegations/complaints in relation to the Code of Conduct have been outlined in the table below. Specific detailed information regarding the complaint has not been provided as this may be prejudicial to the conduct of the ongoing complaints process and to protect the identity of councillors who may not have breached the Code of Conduct.

Case Number	District/Town/Parish Council	Allegation/complaint	Outcome
17/10,11 & 12	HDC	Allegations that a councillor has breached the following parts of the Code – 3.4 not conduct yourself in a manner which is likely to bring the Authority into disrepute 3.7.3 not stating the real reasons for their decision where those reasons are not otherwise apparent	Formal investigation undertaken by Investigating Officer (IO). Hearing held on 30 April 2018, concluded that there was a breach but no sanctions imposed.
17/13	St Ives Town Council (SITC)	Complaint by a Town Councillor against another Town Councillor alleging that a councillor has breached 3.2 and 3.4 of the Code	Matter investigated and concluded by SITC as a breach. Referred by SITC as complainant not accepting the local resolution and appealing against the ruling. Currently under investigation by Investigating Officer (IO), awaiting final report.

17/14	St Neots Town Council	Complaint against a Town Councillor alleging that he breached 3.7.1 and 3.8 of the Code	Matter being investigated and in consultation with Independent Person in an attempt to reach local resolution.
18/15	Yaxley Parish Council	Complaint by Clerk against Parish Councillor alleging he breached 3.4 of the Code. Further complaint against another Parish Councillor alleging a breach of 3.8 of the Code	Matters under investigation and under consideration by Independent Person.
18/16	St Ives Town Council	Complaint against a Town Councillor alleging he breached 3.4 of the Code	Matter under investigation and referred to Independent Person.

4. LEGAL IMPLICATIONS

4.1 There are no significant implications to report.

5. REASONS FOR THE RECOMMENDED DECISIONS

5.1 This is an opportunity for Members of the Committee to be appraised of details of completed complaints and any outstanding complaints alleged against the Code of Conduct. This is in accordance with the functions of the Committee and its duty to discharge functions in relation to the promotion and maintenance of high standards of conduct within the Council and amongst Town and Parish Councils within the District.

BACKGROUND PAPERS

None

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Agenda Item 6

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A of the Local Government Act 1972.

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of the Local Government Act 1972.

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Review of Fraud Investigation Activity

Meeting/Date: Corporate Governance Committee – 13 June 2018

Executive Portfolio: Executive Councillor for Strategic Resources

Report by: Corporate Fraud Manager

Ward(s) affected: All

Executive Summary:

This report provides an overview of the activity of the Corporate Fraud Team (CFT) for 2017/2018 in line with the requirement set out in the Council's Anti- Fraud and Corruption Strategy (AFCS).

During the year, the team :

- Received 794 referrals
- Investigated 335 cases and identified fraud valued at £274,298
- Recovered 1 social housing property
- Carried out 12 prosecutions
- Administered 16 Council Tax Penalties giving an income of £1,120
- Administered 7 Administrative Penalties giving an income of £3,584
- Carried out a project under the new Homes Bonus making an additional £108,000 after identifying 13 properties that were now occupied.
- Additional 12 properties have contacted Council Tax and changed their liability as a result of our intervention
- Identified fraud and error of £89,278 from National Fraud Initiative (NFI)
- Were involved in two large internal disciplinary investigations involving a number of staff
- Through data matching advised Electoral Registration that 110 people could be removed from the register
- Through data matching advised Housing that 29 people could be removed from the Housing Register as they had passed away
- Achieved the first Proceeds of Crime Act prosecution for the council.

Recommendation:

The Corporate Governance Committee is invited to comment on the contents of this report which details the work that has been undertaken by the Corporate Fraud Team during 2017/2018.

1. PURPOSE OF THE REPORT

- 1.1 This report provides a summary of the activity of the Council's CFT in 2017/18 including the number of investigations undertaken, types of investigation and the value of the fraud identified.

2. BACKGROUND

- 2.1 The CFT plays a key role in ensuring that the Council meets its requirements under the Anti-Fraud and Corruption Strategy 2018-2021 (AFCS) by providing a comprehensive fraud service across the whole of the Council. The AFCS sets out the requirement for Corporate Management Team to approve an annual business case that sets out the priorities for the team. The priorities are based on the level of risk facing specific service areas within HDC and also the AFCS. The tables below show the outcomes of the work undertaken by the CFT in 2017-18 in line with the business case.
- 2.2 The team consists of a manager, an investigation officer and an intelligence/data analyst officer.
- 2.3 The Team's main emphasis has been Council Tax Support (CTS), Single Person Discount (SPD) and Tenancy Fraud.

3. ANALYSIS/WORK UNDERTAKEN

- 3.1 The Corporate Fraud Team figures compared to last financial year:

	2015/16	2017/18
Allegations of fraud	685	794
Cases investigated	332	335
Cases where fraud was found	156 (42.5%)	118 (35%)
Social housing recovered	8	1
Prosecutions	8	12
Penalties/fines	26	23

The value of the fraud established for HDC administered services is broken down as follows:

Council Tax Support (CTS)	£39,476
Council Tax SPD	£27,771
Housing Benefit *	£88,456
Value of Fraud in Department for Work and Pensions (DWP) Administered Services *	£20,888
Value of Council Tax Fines	£1,120
Value of Administrative Penalties	£3,584
Court Costs awarded	
Value of social housing recovered**	£93,000

*During the investigation of CTS and Council Tax Discount cases, the team regularly find discrepancies in Housing Benefit and DWP benefits, details of

which are passed on to the DWP to deal with. As this fraud would unlikely have been identified without HDC input, the value of this fraud is included in these figures above.

** This figure has been taken from the CIPFA Fraud and Corruption Tracker Report 2017.

- 3.2 The number of prosecutions has reduced again this year mainly due to the low financial level of CTS and SPD cases and therefore it is not always appropriate or in the public interest to prosecute when alternative sanctions are deemed more appropriate, however each case is considered on an individual basis.
- 3.3 The number of properties recovered has also reduced unfortunately due to reorganisations in a number of local Housing Associations. We intend to re-engage with them on this and to offer to check Right to Buy Applications as this is a high risk area which has been identified by CIPFA.
- 3.4 The Team issues press releases in respect of successful prosecutions in order to highlight the consequences of committing fraud against the Council. One such case this year also resulted in a confiscation order of approximately £31,000 to be paid in full within six months or a custodial prison sentence of a year would be imposed. This was gained under the Proceeds of Crime Act, a first for this authority and as a result HDC will receive 37.5% of the £31,000 with the rest going to the Crown. HDC is now registered on the Joint Asset Recovery Database (JARD) so we will receive money due if any future cases arise.
- 3.5 As a result of the above case the Corporate Fraud Manager, with the assistance of the 3C Legal Team has now secured a contract with Peterborough and Cambridge Trading Standards for HDC corporately to use the services of their Financial Investigator if necessary in future cases.
- 3.6 The CFT also acts as the Single Point of Contact (SPOC) with regard to providing the DWP with information regarding Housing Benefit Claims. In the last year we have received and responded to over 100 Local Authority Information Exchange Forms (LAIEF) in addition to this we have dealt with numerous requests for further information that was required.
- 3.7 The Team conducted the vast majority of the National Fraud Initiative which is run every two years and is a large project checking and verifying information. The CFT also carries out regular data matching exercises across internal databases to not only identify potential fraud but also to ensure our systems are up to date and remove people from the housing register and electoral role. As a result of this exercise we recorded £89,278 of fraud or error.
- 3.8 The Corporate Fraud Manager is also the Council's Coordinating Officer for the Regulatory Investigatory Powers Act (RIPA) which deals with Directed Surveillance and Communications requests. HDC had an inspection this financial year from the Investigatory Powers Commissioner's Office and although several recommendations were made, these were mainly to upgrade an already adequate system. These have now been implemented and the necessary amendments to the existing policy made. It is a requirement of the AFCS that the CGC is informed annually of the number of times HDC has used the RIPA legislation. In 2017/2018, HDC made one application for Directed Surveillance regarding a fly tipping matter and the deployment of covert cameras. The Council also made one application for Communications Data under RIPA again regarding a fly tipping matter to ascertain subscriber and

address information. All communications data requests are made via the National Anti-Fraud Network (NAFN).

4. KEY IMPACTS / RISKS

- 4.1 The Council remains at risk of fraudulent activity against its services and so the presence of the CFT helps to mitigate the risk. The Council administers CTS as well as collecting Council Tax and awarding discounts and exemptions. The Council has a statutory duty to prevent homelessness and the CFT works closely with the Housing Team and Housing Providers to make sure that housing is awarded to those in need and those that try to take advantage of the system are caught and where appropriate prosecuted.
- 4.2 Some of the main areas of Fraud across the country have been identified by CIPFA in their Fraud and Corruption Tracker Summary Report published in September 2017. HDC uses this and other publications to stay up to date with current trends and new emerging risks.
- 4.3 One of the other areas identified by this report was internal fraud regarding payroll, expenses, recruitment and pensions. The CFT has assisted the HR Team by conducting two large internal disciplinary investigations involving a number of staff members which resulted in one resignation, three dismissals, one written warning and two final written warnings.

5. WHAT ACTIONS WILL BE TAKEN

- 5.1 The team will continue to be proactive in identifying and investigating allegations of fraud and corruption against HDC. A key aim for 2018/2019 is to try and build on our joint working with outside partners i.e. housing providers and look at ways of building on our internal data matching exercises by using new data sets to try and identify fraud.
- 5.2 The DWP has approached all Local Authorities as they intend to recommence joint working in the near future. The DWP has advised that they will only jointly work with Local Authorities who have the necessary qualified counter fraud staff resource in position which HDC has.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES

- 6.1 Strategic priority: Becoming a more Efficient and effective Council.

7. RESOURCE IMPLICATIONS

- 7.1 Fraud Team costs for 2017/18 were £127,547.00

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 The Anti-Fraud and Corruption Strategy sets out a requirement for an annual report to be submitted to the Corporate Governance Committee on the work of the Corporate Fraud Team during the previous financial year.

9. LIST OF APPENDICES INCLUDED

9.1 Appendix 1 – Corporate Fraud Team – Work Plan 2017/18

BACKGROUND PAPERS

CIPFA Fraud / Corruption Tracker Summary Report 2017
<http://www.cipfa.org/media/files/services/cipfa%20fraud%20and%20corruption%20tracker%20summary%20report%202017.pdf>
Fla%3Den&usq=A0vVaw0MDhOXXSfbKBcO3lvqhsJV

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HUNTINGDONSHIRE DISTRICT COUNCIL

CORPORATE FRAUD TEAM - WORK PLAN 2018/19

1. INTRODUCTION

- 1.1 Huntingdonshire District Council (HDC) aims to set and achieve the highest standards of service provision in all of its services. This is underpinned by the strategic objective in the Corporate Plan to:

Become a more efficient and effective Council.

- 1.2 HDC is committed to actively safeguard public funds by preventing and detecting fraud and corruption. Maintaining high levels of probity, governance and ethics will ensure that HDC's resources can be focussed in providing services that matter to local residents.
- 1.3 HDC's commitment to dealing with fraud and error is demonstrated by having in place systems, resources and procedures designed to:
- limit the opportunities to commit fraudulent acts
 - enable such acts to be detected at the first opportunity
 - deal with investigations promptly, thoroughly, professionally and legally.
 - where appropriate use and publicise its sanction activity as a deterrent to future offending.
 - reduce the financial loss caused by fraudulent activity

To enable this, HDC retains a professional, fully trained Corporate Fraud Team (CFT). The work of this team is directly aligned to meet the priorities set out in the HDC's Countering Fraud and Corruption Strategy and CIPFA Fraud and Corruption Tracker 2017.

2. BACKGROUND

- 2.1 The work of the Team has included investigations into all areas of services provided by HDC including Housing, Benefits, Council Tax, Grants and conducting investigations into matters relating to Employees.
- 2.2 The Team also liaise with other enforcement departments within the Council and when approached will offer advice on specific issues as

well as offering to assist with interviews as we have in the past with planning.

- 2.3 In order to identify current fraud and loss the following documents have been used to develop this work plan, The Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud and Corruption, the CIPFA Fraud & Corruption Tracker and HDC's Countering Fraud and Corruption Strategy 2018-2021.

3. SET UP OF CORPORATE FRAUD TEAM

- 3.1 The team's substantive structure is currently:
- 1 Fraud Manager (CFM)
 - 1 Investigating Officer (IO)
 - 1 Fraud Intelligence and Analyst Officer (AO)

All staff hold accredited fraud qualifications, e.g. Professionalism in Security (PINS) or the equivalent to a BTEC Level 5. The team will attend conferences and training workshops to keep up to date with current trends and emerging risks. This also enables us to network with colleagues and exchange ideas and best practice.

- 3.2 Sifting of referrals: The AO will sift all reported fraud in line with current procedures and select those cases suitable for full investigation and those which can be dealt with in other ways. The sift will include an assessment of potential loss with those cases highlighted as producing larger or more immediate savings being prioritised.
- 3.3 Investigations: The IO will undertake investigations into all cases selected for full investigation.
- 3.4 Management: The CFM will work to develop working with partners to identify services at risk of fraud. The FM oversees all investigations, prepare files for disposal in line with the Fraud Prosecution Policy and produces reports for senior officers and Members.

4. WORK PRIORITIES FOR THE TEAM 2018/19

- 4.1 In setting the work priorities of the team for the forthcoming year, reference has been made to a number of documents including Fighting Fraud & Corruption Locally 2016-2019, Fraud and Corruption Tracker 2017 both published by CIPFA and HDC's Countering Fraud and Corruption Strategy 2018- 2021. In setting these priorities we have also taken into account the pressures on our own services and have identified the following areas:
- Council Tax Reduction Support (CTRS).

- Housing Benefit – this is still an area we are involved in due to its close links with CTRS and if investigating this type of case our findings will also have an impact on the Housing Benefit award.
- Council Tax Discounts.
- Housing Tenancy Fraud - illegal subletting.
- Housing/ homeless Applications.
- Housing Benefit Matching Service referrals.

Targets

Council Tax penalties	8
CTRS Ad Pens	10
Prosecutions	14

- 4.2 In addition, although the CFT no longer investigates Housing Benefit fraud, it is the Single Point of Contact (SPoC) for dealing with enquiries received from the Department for Work and Pensions (DWP) in relation to Housing Benefit investigations in line with the requirements and deadlines set by the DWP.
- 4.3 The CFT is called upon to provide expertise and mentoring for other enforcement services in collection of evidence and interview facilities. The CFT offers a wide variety of services including credit reference data, local intelligence, checking for previous convictions or even hands on interview specialism to other sections within the council.
- 4.4 The Corporate Fraud Manager is also the Council's co-ordinating officer for RIPA and responsible for maintaining the central register of applications. The CFM is also the nominated Single Point of Contact (SPOC) for HDC with the National Anti Fraud Network (NAFN) for the obtaining of communications data under RIPA.
- 4.5 With the merger of Luminus with Places for People we will continue to monitor the situation and endeavour to strike up some new and meaningful relationships once the merger has completed. It is hoped that in the future we may be able to offer our services to them to combat tenancy fraud and assist in making the right to buy application process more secure and less open to fraud.
- 4.6 For securing the gateway to ensure that HDC services are only provided to people legitimately entitled to receive them, the CFT has purchased scanners from Trust ID that can identify whether documents such as passports, visas and driving licences are genuine. An implementation plan has been brought in so front line services are now

covered. The scanners are now also used to verify the right to work for all new HDC employees.

- 4.7 The CFT will investigate and assist the HDC HR service when requested in any matters concerning fraud or disciplinary action in relation to staff.
- 4.8 The CFT will work with the HDC Audit Section and partners to determine whether there is a risk to HDC and take appropriate action.

5. PROCESSES FOR PROACTIVE / RESPONSIVE WORK.

- 5.1 The CFT receives regular data sets from internal services such as Electoral Registration, Licensing, Benefits, etc. to enable data matching. This identifies potentially fraudulent access and use of Council services.
- 5.2 Housing Benefit Matching Referrals are received on a monthly basis via secure email from the DWP. These types of matches highlight claims where certain benefits have ceased yet Housing Benefit is still being paid on the basis that the customer is entitled to Income Support or Job Seekers Allowance. These types of referrals also highlight matches against undeclared bank or savings accounts that may not have been declared to HDC.
- 5.3 In the case of Housing tenancy fraud a full report is provided to the Housing Association and then joint discussions would be undertaken on how best to proceed and if the case is to be prosecuted then HDC CFT will take the lead.

6. RISKS

- 6.1 The level of resource on the CFT means that there could be a capacity issue if levels of fraud allegations referred to the team increase. The role of the Intelligence and Analyst Officer is key in ensuring that the allegations carrying most risk (financial or reputational) are prioritised by the team.
- 6.2 Although the CFT does a substantial amount of proactive work with teams across the Council, there is a risk that fraud in some service areas is not identified. It is vital that all managers take responsibility to identify risks specific to their service area and put controls in place to minimise loss. The CFT is keen to work with any team to assist in this piece of work. Some risks will be identified through the internal audit programme and the CFT will work with the Internal Audit Team as and when necessary.

7. PUBLICITY

- 7.1 The CFT encourages allegations of fraud to be reported to HDC through the following:
- a 24-hour telephone line (automated voicemail system) that is checked daily
 - a further phone line manned during office hours
 - an e-mail account linked directly to the CFT
 - on-line referral forms on the HDC website
 - at any of the Council's offices in person or in writing
- 7.2 Prosecutions are regularly publicised in the local press as both a deterrent to prospective fraudsters and as a way of encouraging further referrals.
- 7.3 Any decisions made in the disposal of cases are made in line with the council's prosecution policy.

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Review of RIPA Policy

Meeting/Date: Corporate Governance Committee - 13 June 2018

Executive Portfolio: Executive Councillor for Strategic Resources

Report by: Corporate Fraud Manager

Ward(s) affected: All

Executive Summary:

The Regulation of Investigatory Powers Act 2000 (RIPA) sets out how local authorities should conduct covert surveillance for the purpose of investigating criminal offences.

Huntingdonshire District Council's RIPA policy has been updated to meet current legislation and changes to the codes of practice and takes account of recommendations that came out of a recent inspection carried out by the Investigatory Powers Commissioner's Office (IPCO).

This report gives an overview on how HDC ensures that it meets the legislative and administrative requirements of the RIPA process.

Recommendation(s):

The Corporate Governance Committee is invited to comment on the Council's revised RIPA policy.

1. PURPOSE OF THE REPORT

- 1.1 The previous HDC RIPA policy was approved by the Corporate Governance Panel in July 2013. It was resolved at that meeting that “the Head of Legal and Democratic Services be authorised to make any amendments to the policy in future after consultation with the Chairman of the Corporate Governance Panel and subject to the matter being reported to the next meeting of the Corporate Governance Panel”.
- 1.2 The amendments made to the policy have been authorised by the Head of Legal Services. However, due to the timing of the review, consultation with the Chair of the Committee was not possible and so the matter is being reported to the Corporate Governance Committee (CGC) at the earliest possible opportunity.

2. BACKGROUND

- 2.1 The Regulation of Investigatory Powers Act 2000 (RIPA) provides a legal framework for covert surveillance activities by public authorities (including local authorities). This was overseen by the Office of Surveillance Commissioners (OSC). However, from 1 September 2017 oversight is provided by the Investigatory Powers Commissioner's Office (IPCO) which has been set up as an independent inspection regime to monitor Investigatory Powers which relate to covert activity currently under RIPA. The use of surveillance (both overt and covert) to provide information is a valuable resource for the protection of the public and the maintenance of law and order. To discharge their responsibilities local authorities and law enforcement agencies use unaided surveillance and surveillance devices. RIPA and the codes of practice provide a legal framework and procedure to authorise the use of covert surveillance.
- 2.2 Following an inspection and subsequent report by His Honour Norman Jones QC, the Assistant Commissioner of the Investigatory Powers Commissioner's Office, a number of recommendations were put forward which have now been implemented.
- 2.3 HDC's RIPA policy sets out the latest legal and agreed procedure for applying, authorising and monitoring of all applications made under this legislation. The review also gave an opportunity to ensure that the roles of individual officers in administering the policy reflect the current establishment.
- 2.4 The policy sets out a requirement that details of surveillance activity undertaken by HDC will be reported to the CGC on an annual basis. This will be included in the Fraud Team's Annual Fraud Report.

3. ANALYSIS

- 3.1 In 2017-18, surveillance under RIPA was used on one occasion by our Communities Department. This was for a fly tipping matter whereby a camera was set up at a location that had previously been targeted. The camera was in place for three months but no further incidents were recorded during this period.

4. KEY IMPACTS / RISKS

- 4.1 If the current policy is not up to date to reflect changes in legislation and codes of practice, the Council could be at risk of acting illegally. It is therefore important an up to date policy is maintained that staff can refer to.

5. WHAT ACTIONS WILL BE TAKEN

- 5.1 Refresher training for both Applicants and Authorising Officers has already been undertaken and completed. The necessary amendments to the policy have been made following consultation with the Head of 3C Legal and an outside consultant who is accredited by the Home Office on RIPA matters. There is one more piece of training for some officers to undertake which has been arranged for the forthcoming months.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES

- 6.1 Strategic priority - Becoming a more efficient and effective Council.

7. REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 It is required that any changes to the Council's RIPA policy are reported to the Corporate Governance Committee.

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COVERT SURVEILLANCE

**REGULATION OF INVESTIGATORY POWERS ACT 2000
(PART II)
(Directed Surveillance and the use of CHIS)**

POLICY & PROCEDURE

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INTRODUCTION AND PURPOSE

Introduction

Since October 2000 when the Human Rights Act 1998 came into force, covert surveillance has become subject to statutory control in the UK. The Regulation of Investigatory Powers Act 2000 (RIPA) provides for the first time a legal framework for covert surveillance activities by public authorities (including local authorities). This was overseen by the Office of Surveillance Commissioners (OSC). However, from 1 Sept 2017 oversight is provided by the Investigatory Powers Commissioner's Office (IPCO) which has been set up as an independent inspection regime to monitor Investigatory Powers which relate to covert activity currently under RIPA. This also includes the accessing of communications data (not contained in this policy).

This document may still make reference to the OSC where quoting their current guidance.

The use of surveillance (both overt and covert) to provide information is a valuable resource for the protection of the public and the maintenance of law and order. To discharge their responsibilities local authorities and law enforcement agencies use unaided surveillance and surveillance devices. RIPA and the codes of practice provides a legal framework and procedure to authorise the use of covert surveillance. Surveillance is covert if it is carried out in a manner that is calculated to ensure that persons who are subject to it are unaware that it is or may be taking place.

In some circumstances, it may be necessary for Council employees, in the course of their duties, to make observations of a person(s) in a covert manner. By their nature, actions of this sort may constitute an interference with that person's right to privacy. This may give rise to legal challenge as a potential breach of "the right to respect for private and family life, home and correspondence" under Article 8 of the European Convention on Human Rights and the Human Rights Act 1998. RIPA provides a procedure to defend the Council against such challenges

Purpose

This policy statement explains how Huntingdonshire District Council will meet legal requirements in relation to the use of covert surveillance. It also seeks to encourage and promote a professional approach in undertaking surveillance so that those affected may have confidence that the Council will act effectively and in a fair and lawful manner. It should be read in conjunction with the Regulation of Investigatory Powers Act 2000 and the

current version of the Code of Practice on the use of Covert Human Intelligence sources and the Code of Practice on Covert Surveillance on the Home Office website:

<https://www.gov.uk/government/collections/ripa-codes>

STATEMENT OF INTENT

This policy statement applies only to the use of covert surveillance, although it is expected that usually any surveillance activity undertaken by or on behalf the Council will be **overt.**

The RIPA procedure **does not** apply to:

- Covert observations where private information will not be obtained
- Observations that are not carried out covertly, or
- Ad-hoc covert observations that do not involve the systematic surveillance of a specific person(s) such as generally patrolling an area in response to complaints
- Unplanned observations made as an immediate response to events.

The Council intends to fulfil its lawful obligations and use directed surveillance and covert human intelligence sources within the terms of the Regulation of Investigatory Powers Act 2000, the relevant Codes of Practice and the current directions which were issued by the OSC in accordance with its lawful requirements.

The Council will keep its policy and procedures under review and update them as necessary and in accordance with any changes in the Law.

The Council will take necessary steps to ensure that employees whose duties involve investigations or supervision of them are informed of all relevant policy standards, procedures, and legislation.

Employees have a duty to follow this policy and its procedures and any employees knowingly acting outside this policy may be subject to the Council's disciplinary procedures.

All information gathered by surveillance is likely to be classed as Personal Data under the Data Protection Act and therefore has to be managed within that legislation and in accordance with the Council's Document Retention Policy. Therefore, it should be treated as confidential and only disclosed to persons (internal and external) whose authority has been explicitly established and meet the DPA requirements. Employees will be held responsible for any misuse, security breach or unauthorised disclosure while it is in their control.

Documents created as part of surveillance applications including authorisations, reviews and cancellations will be held on the councils Central Register which will be maintained by the RIPA Central Monitoring Officer. They will be held for five years. As per the current guidance.

A reporting structure will be established headed by the RIPA Central Monitoring Officer with a liaison officer for each service division so:

- that authorisation, Judicial application/order form, review, renewal and cancellation forms and procedures are co-ordinated and consistent across the Council and comply with legislation
- All documents are available for inspection by the Investigatory Powers Commissioner's Office (IPCO)
- All problems can be investigated thoroughly

Regular meetings are held, at least once every six months, with the liaison officers to review and update service divisions on changes in the law or Home Office guidance.

Subjects of covert surveillance carried out by or on behalf of the Council therefore can be assured that evidence collected (including personal data) will be processed with care and strictly in accordance with the law.

The Council has no lawful authority to **carry out intrusive surveillance** within the meaning of the Regulation of Investigatory Powers Act 2000. This is covert surveillance carried out in relation to anything taking place on any residential premises or in any private vehicle; and involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device capable of providing information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle.

The Council will seek to adhere to the authorisation, review, renewal and cancellation procedure provided for by the RIPA legislation and the codes of practice thereon before conducting any covert surveillance.

The Council will not intentionally gather evidence by covert surveillance from individuals where it is disproportionate or unnecessary in relation to the purposes of the investigation.

Surveillance carried out by a third party on behalf of the Council shall be subject to a contract which stipulates compliance with the law and this policy. Any service that intends to instruct a third party are required to liaise with the Central Monitoring Officer so that an

Authorising Officer can take into account the capability of an agent acting for the Council before any contracts are agreed.

Internal Oversight

To assist with oversight of the Council's RIPA processes, it has appointed Oliver Morley (Director of Services) as the Senior Responsible Officer (SRO) who will be responsible for the integrity of the process. However it must be stressed that all staff involved in the process must take their responsibilities seriously which will assist with the integrity of the Councils processes and procedures.

Lawful purposes

On 1 November 2012 two significant changes came into force that effects how local authorities use RIPA.

1. Approval **by a Justice of the Peace for** Local Authority Authorisations under RIPA
The amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). This applies to applications and renewals only, not reviews and cancellations.
1. **Directed surveillance crime threshold:** Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 ("the 2010 Order") mean that a local authority can now only grant an authorisation under RIPA for the use of **Directed Surveillance** where the local authority is investigating criminal offences which attract a custodial sentence of a maximum term of at least 6 months' imprisonment, or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

The RIPA authorisation process can only be used for in connection with the Council's core functions.

The crime threshold, as mentioned is only for Directed Surveillance.

As from 1 November 2012 there is no provision for a Local Authority to use RIPA to conduct covert activities for disorder such as anti-social behaviour unless there are criminal offences involved which attract a maximum custodial sentence of six months.

Employees carrying out covert surveillance as far as practicable shall not interfere with any property or harass any person.

Confidential material

Applications where a significant risk of acquiring confidential material has been identified shall always require the approval of the Head of Paid Service.

Confidential material consists of :

- matters subject to legal privilege (e.g. between professional legal advisor and client)
- confidential personal information (e.g. relating to a person's spiritual, physical or mental health) or
- confidential journalistic material

DEFINITIONS

Unless the context otherwise requires, in this document the expressions in the first column shall have the meaning in the second column and any reference to a statute or statutory instrument or code of practice within the document shall include amendments to it.

Authorising Officer

means a person entitled to give an authorisation for directed surveillance or for the use of a covert human intelligence source in accordance with Section 30 of the Regulation of Investigatory Powers Act 2000 and the Regulation of Investigatory Powers (Prescription of Offices, Ranks and Positions) Order 2000 SI No. 2417 as adapted to the organisational structure of the Council and who is included in the list of officers designated by the Council for such purposes.

Council

means Huntingdonshire District Council

Surveillance

is defined in Section 48 of the Regulation of Investigatory Powers Act 2000 and includes :

- a) monitoring, observing or listening to persons, their movements, their conversations or their other activities or communications;
- b) recording anything monitored, observed or listened to in the course of surveillance; and
- c) surveillance by or with the assistance of a surveillance device

* surveillance does not include references to :

- a) any conduct of a covert human intelligence source for obtaining or recording (whether or not using a surveillance device) any information which is disclosed in the presence of the source;
- b) the use of a covert human intelligence source for so obtaining or recording information; or
- c) any such entry on or interference with property or with wireless telegraphy as would be unlawful unless authorised under Section 5 of the Intelligence Services Act 1994 (warrants for the intelligence services) or Part III of the Police Act 1997 (powers of the police and of customs officers)

Covert Surveillance

means surveillance carried out in a manner that is calculated to ensure that persons who are subject to this surveillance are unaware that it is or may be taking place

Directed Surveillance

means covert surveillance which is not intrusive and is undertaken :

- a) for the purpose of a specific investigation or a specific operation;

- b) in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and
- c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under Part II of RIPA to be sought for the carrying out of surveillance

Intrusive Surveillance

Intrusive surveillance is defined in section 26(3) of the 2000 Act as covert surveillance that:

- a) is carried out in relation to anything taking place on any residential premises or in any private vehicle; and
- b) involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.

Where surveillance is carried out in relation to anything taking place on any residential premises or in any private vehicle by means of a device, without that device being present on the premises, or in the vehicle, it is not intrusive unless the device consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle.

Private Information

Private information includes any information relating to a person's private or family life. Private information should be taken generally to include any aspect of a person's private or personal relationship with others, including family and professional or business relationships.

Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person's activities in public may still result in the obtaining of *private information*. This is likely to be the

case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a *public authority* of that person's activities for future consideration or analysis.

Private life considerations are particularly likely to arise if several records are to be analysed together in order to establish, for example, a pattern of behaviour, or if one or more pieces of information (whether or not available in the public domain) are covertly (or in some cases overtly) obtained for the purpose of making a permanent record about a person or for subsequent data processing to generate further information. In such circumstances, the totality of information gleaned may constitute *private information* even if individual records do not. Where such conduct includes surveillance, a directed surveillance *authorisation* may be considered appropriate.

Private Vehicle

means any vehicle that is used primarily for the private purpose of the person who owns it or of a person otherwise having the right to use it (except where the right to use the vehicle derives only from his having to pay, or undertake to pay for the use of the vehicle and its driver for a particular journey)

Residential Premises

means so much of any premises as is for the time being occupied or used by any person, however temporarily, for residential purposes or otherwise as living accommodation (including hotel or prison accommodation that is so occupied or used)

Surveillance Device

means any apparatus designed or adapted for use in surveillance

Covert Human Intelligence Source

means a person who establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within Section 26(8)(b) or (c) Regulation of Investigatory Powers Act 2000 namely :

b) to covertly use such a relationship to obtain information or to provide access to any information to another person; or

c) to covertly disclose information obtained by the use of such a relationship, or as a consequence of the existence of such a relationship

a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship, if and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.

SCOPE OF PROCEDURE

The RIPA procedure **does not** apply to :

- Covert observations where private information will not be obtained
- Observations that are not carried out covertly, or
- Ad-hoc covert observations that do not involve the systematic surveillance of a specific person(s)
- Unplanned observations made as an immediate response to events.

However staff should always remember that any actions taken must be justified and recorded. In cases of doubt, the authorisation procedure described below should be followed.

AUTHORISATION PROCEDURE

General

As mentioned earlier on 1 November 2012 two significant changes came into force that effects how local authorities use RIPA.

- 1. Approval of Local Authority Authorisations under RIPA by a Justice of the Peace:** The amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). **This applies to applications and renewals only, not reviews and cancellations.**

2. **Directed surveillance crime threshold:** Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (“the 2010 Order”) mean that a local authority can now only grant an authorisation under RIPA for the use of Directed Surveillance where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

This crime threshold, as mentioned, is only for Directed Surveillance.

Application, Review, Renewal and Cancellation procedure

No covert activity covered by RIPA or the use of a CHIS should be undertaken at any time unless it meets the legal criteria (see above) and has been authorised by an Authorising Officer and approved by a JP/Magistrate as mentioned above. The activity conducted must be in strict accordance with the terms of the authorisation.

All the forms, namely the Authorisation (this also contains the application section), Review, Renewal and Cancellation will be the Home Office Model approved forms downloaded from the Home Office Website and approved by the Council's RIPA Central Monitoring Officer. (See the List in the Annex). Forms should only be downloaded from the Home Office website : <https://www.gov.uk/government/collections/ripa-forms--2>

Home Office forms, codes of practice and supplementary material will be available through the Council Intranet, the RIPA Central Monitoring Officer and the Home Office Website: <https://www.gov.uk/government/collections/ripa-codes>

The effect of the above legislation means that all applications/authorisations and renewals for covert RIPA activity will have to have a JP's approval. It does not apply to Reviews and Cancellations which will still be carried out internally.

The procedure is as follows;

All applications and renewals for Directed Surveillance and use of a CHIS will be required to have a JP's approval as mentioned earlier.

Applications/Authorisations

All applications for directed surveillance authorisation will be made on **Form 1** (reference **RIPA 1 DS authorising** form) and will be in the first instance sent to the RIPA Coordinating Officer- See **Gate Keeping Section**. The names and posts of such officers may be found recorded in a list held for that purpose by the RIPA Coordinating Officer (see the List in the Annex). Authorising Officers will be, as a minimum, Heads of Service. Any nomination of such an officer in that list empowers those officers in line above them to act in their place. Officers responsible for management of an investigation will normally be no lower than Activity Manager.

Authorising officers shall ensure they are fully aware of their responsibilities and comply with the requirements of the law including the relevant codes of practice, OSC procedures and Guidance information and the Council's policies and procedures in respect to the authorisation, review, renewal and cancellation of authorisations for covert surveillance. They shall ensure a satisfactory risk assessment, including the Health and Safety of staff is completed in respect of each authorisation.

Authorising Officers must record on the appropriate form the matters they took into account in reaching their decision and they must be satisfied that :

- **no overt means** are suitable for the purpose
- the authorisation is for a prescribed lawful purpose (see above)
- account has been taken of the likely degree of intrusion into the privacy of persons other than those directly implicated/targeted in the operation or investigation (**collateral intrusion**)
- measures are to be taken, where ever practical, to avoid unnecessary intrusion into the lives of those affected by collateral intrusion.
- the authorisation is necessary.
- the authorised surveillance proposed is proportionate;
- any equipment to be used and its technical capabilities is specified

Necessity

Surveillance operations shall only be undertaken where there is no reasonable and effective alternative way of achieving the desired objective(s).

Effectiveness

Surveillance operations shall be undertaken only by suitably trained or experienced employees (or under their direct supervision).

Proportionality

Explain why this directed surveillance is proportionate to what it seeks to achieve. How intrusive might it be on the subject of surveillance or on others? And why is this intrusion outweighed by the need for surveillance in operational terms or can the evidence be obtained by any other means?

The codes provide guidance relating to proportionality:

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

Equipment

The technical capabilities of any equipment being used during the surveillance will need to be considered with regard to the privacy issues. This will impact on the proportionality test.

Authorisation

All directed surveillance shall be authorised in accordance with this procedure.

Where an application for authorisation is refused the Authorising Officer shall record the refusal on the application and the reasons for it on the case file and supply a copy of it to the RIPA Coordinating Officer as with other authorisations. The Authorising Officer shall also ensure that any supplementary information and supporting documents submitted with any application for authorisation, review, renewal or cancellation are recorded and retained on the case file as required by the codes of practice or other legal requirement.

Applicants or some other officer should complete a risk assessment prior to the completion of the application form. Each application should be completed on its own merits of the case. **Cutting and pasting or using template entries should not take place as this would leave the process open to challenge.**

Gate Keeping

The applicant will complete the relevant sections of the form with sufficient information for the Authorising Officer to consider Necessity, Proportionality and the Collateral Intrusion issues. All applications will then be submitted firstly to the RIPA Coordinating Officer for quality control prior to its submission to the Authorising Officer and would enable The

Coordinating Officer to tender advice if required. It would then be submitted to the Authorising Officer and after grant or refusal of authorisation, should be referred back to the Coordinating Officer when it may be further reviewed and arrangements made for a magistrates court attendance for approval. At each of these stages the central record can be updated and thereby remain current.

If authorised the Authorising Officer will complete the authorisation section of the form. The applicant will now complete the required section of the judicial application/order form. Although this form requires the applicant to provide a brief summary of the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.

Applications whether authorised or refused will be issued with a unique number by The Councils RIPA Coordinating Officer (Corporate Fraud Manager).

It will then be necessary within Office hours to arrange with Her Majesty's Courts & Tribunals Service (HMCTS) administration at the magistrates' court to arrange a hearing. The hearing will be in private and heard by a single JP.

The Authorising Officer will be required to present the application at these proceedings and will need to be formally designated by the Council under section 223 of the Local Government Act 1972 to appear, be sworn in and present evidence or provide information as required by the JP.

Upon attending the hearing, the Authorising Officer must present to the JP the partially completed judicial application/order form, a copy of the RIPA authorisation form, together with any supporting documents setting out the case, and the original authorisation form.

The original RIPA authorisation should be shown to the JP but will be retained by the local authority so that it is available for inspection by the Commissioners' offices and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT).

The JP will read and consider the RIPA authorisation and the judicial application/order form. They may have questions to clarify points or require additional reassurance on particular matters. These questions are supplementary to the content of the application form. **However the forms and supporting papers must by themselves make the case. It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided.**

The JP will consider whether he or she is satisfied that at the time the authorisation was granted or renewed, there were reasonable grounds for believing that the authorisation was

necessary and proportionate. They will also consider whether there continues to be reasonable grounds. In addition they must be satisfied that the person who granted the authorisation or gave the notice was an appropriate designated person within the local authority and the authorisation was made in accordance with any applicable legal restrictions, for example that the crime threshold for directed surveillance has been met.

The JP may decide to

Approve the Grant or renewal of an authorisation

The grant or renewal of the RIPA authorisation will then take effect and the local authority may proceed to use the technique in that particular case.

Refuse to approve the grant or renewal of an authorisation

The RIPA authorisation will not take effect and the local authority may **not** use the technique in that case.

Where an application has been refused the applicant may wish to consider the reasons for that refusal. If more information was required by the JP to determine whether the authorisation has met the tests, and this is the reason for refusal the officer should consider whether they can reapply, for example, if there was information to support the application which was available to the local authority, but not included in the papers provided at the hearing.

For, a technical error, the form may be remedied without going through the internal authorisation process again. The officer may then wish to reapply for judicial approval once those steps have been taken.

Refuse to approve the grant or renewal and quash the authorisation

This applies where the JP refuses to approve the authorisation or renew the authorisation and decides to quash the original authorisation. The court must not exercise its power to quash the authorisation unless the applicant has had at least 2 business days from the date of the refusal in which to make representations. If this is the case the officer will inform the Legal section who will consider whether to make any representations.

Whatever the decision the JP will record their decision on the order section of the judicial application/order form. The court administration will retain a copy of the local authority RIPA authorisation form and the judicial application/order form. The officer will retain the original authorisation and a copy of the judicial application/order form.

If approved by the JP, the date of the approval becomes the commencement date and the three months duration will commence on this date. The officers are now allowed to undertake the activity.

The original RIPA authorisation form and the copy of the judicial application/order form should be forwarded to the RIPA Coordinating Officer so it can be entered onto the Central Register and a copy retained by the applicant and by the AO. This will enable the AO to check what was authorised and monitor any reviews and cancellation to determine if any errors occurred and if the objectives were met.

There is no complaint route for a judicial decision unless it was made in bad faith. If the applicant has any issues they must contact the Legal Department for advice. A local authority may only appeal a JP decision on a point of law by Judicial Review. If such a concern arises, the Legal team will decide what action if any should be taken.

Reviews

The reviews are dealt with internally by submitting the review form to the authorising officer. There is no requirement for a review form to be submitted to a JP.

All applications for review of directed surveillance authorisation will be made on **Form 2** (reference **RIPA 2 DS review** form).

Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. The results of a review should be recorded on the central record of authorisations. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion.

In each case the Authorising Officer should determine how often a review should take place. This should be as frequently as is considered necessary and practicable and they will record when they are to take place on the application form. This decision will be based on the circumstances of each application. Reviews will be conducted on a monthly or less basis to ensure that the activity is managed. It will be important for the Authorising Officer to be aware of when reviews are required following an authorisation to ensure that the applicants submit the review form on time.

Applicants should submit a review form by the review date set by the Authorising Officer. They should also use a review form for changes in circumstances to the original application so that the need to continue the activity can be reassessed. However if the circumstances or the objectives have changed considerably or the techniques to be used are completely different, a new application form may be required to be submitted. If this is the case the

procedure to be followed is the same for the initial If in doubt seek advice... The applicant does not have to wait until the review date if it is being submitted for a change in circumstances.

Managers or Team Leaders of applicants should also make themselves aware of when the reviews are required to ensure that the relevant forms are completed on time.

Renewal

If at any time before an authorisation would cease to have effect, the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given, he may renew it in writing for a further period of three months. Should it be necessary to renew a Directed Surveillance or CHIS authorisation this must be approved by a JP

All applications for directed surveillance renewals will be made on **Form 3** (reference **RIPA 3 DS renewal** form).

Applications for renewals should not be made until shortly before the original authorisation period is due to expire but the applicant must take account of factors which may delay the renewal process (e.g. intervening weekends or the availability of the relevant authorising officer and a JP to consider the application).

The applicant should complete all the sections within the renewal form and submit the form to the authorising officer.

Authorising Officers should examine the circumstances with regard to Necessity, Proportionality and the Collateral Intrusions issues before making a decision to renew the activity. A CHIS application should not be renewed unless a thorough review has been carried out covering the use made of the source, the tasks given to them and information obtained. The Authorising Officer must consider the results of the review when deciding whether to renew or not. The review and the consideration must be documented.

If the authorising officer refuses to renew the application the cancellation process should be completed. If the AO authorises the renewal of the activity the same process is to be followed as mentioned earlier for the initial application.

A renewal takes effect on the day on which the authorisation would have ceased and lasts for a further period of three months.

Cancellation

Where authorisation ceases to be either necessary or proportionate the Authorising Officer or appropriate deputy will cancel an authorisation using **Form 4** (reference **RIPA 4 DS cancellation** form). In reality this means that the objectives have been achieved or can't be

achieved for whatever reason. **DO NOT WAIT UNTIL THE 3 MONTHLY DATE. IT SHOULD BE CANCELLED IMMEDIATELY.**

The cancellation form is to be submitted by the applicant or another investigator in their absence. The Authorising Officer who granted or last renewed the authorisation must cancel it if they are satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer

As soon as the decision is taken that directed surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer. The Authorising Officer will formally instruct the investigating officer to cease the surveillance, noting the time and date of their decision. This will be required for the cancellation form. The date and time when such an instruction was given should also be recorded in the central record of authorisations (see paragraphs 5.18 in the Codes of Practice). **It will also be necessary to detail the amount of time spent on the surveillance .**

The officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and what if any images were obtained and any images containing third parties. The Authorising Officer should then take this into account and issue instructions regarding the management and disposal of the images etc.

The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the line manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight.

Immediate response to events

There may be occasions when officers come across events unfolding which were not pre planned which then requires them to carry out some form of observation. This will not amount to Directed Surveillance. Officers must not abuse the process and be prepared to explain their decisions in court should it be necessary. Therefore they should document their decisions, what took place, what evidence or information was obtained.

Joint Agency Surveillance

In cases where one agency is acting on behalf of another, it is usually for the tasking agency to obtain or provide the authorisation. For example, where surveillance is carried out by Council employees on behalf of the Police, authorisation would be sought by the police. If it is a joint operation involving both agencies the lead agency should seek authorisation.

Council staff involved with joint agency surveillance are to ensure that all parties taking part are authorised on the application to carry out the activity. When staff are operating on another organisation's authorisation they are to ensure they see what activity they are authorised to carry out and make a written record. They should obtain a copy of the authorisation page which should contain the unique number, a copy of which should be forwarded to The RIPA Central Monitoring Officer for filing so that the total amount of Surveillance by Council staff can be recorded. They should also inform the RIPA Central Monitoring Officer of the agencies involved and the name of the officer in charge of the surveillance. This will assist with oversight of the use of Council staff carrying out these types of operations.

Documentation and Central Record

Authorising Officers or Managers of relevant enforcement departments may keep whatever records they see fit to administer and manage the RIPA application process. This will not replace the requirements under the Codes of Practice for the Council to hold a centrally held and retrievable record.

A centrally retrievable record of all authorisations will be held by the RIPA Coordinating Officer and updated whenever an authorisation is refused, granted, renewed or cancelled. The record will be made available to the relevant Commissioner or an Inspector from the Office of Surveillance Commissioners, upon request. These records should be retained for at least five years from the ending of the authorisation or for the period stipulated by the Council's document retention policy, whichever is greater.

Use of CCTV

The use of the CCTV systems operated by the Council do not normally fall under the RIPA regulations. However it does fall under the Data Protection Act 1998 and the Council's CCTV policy. Should there be a requirement for the CCTV cameras to be used for a specific purpose to conduct surveillance it is likely that the activity will fall under Directed Surveillance and therefore require an authorisation.

On the occasions when the CCTV cameras are to be used in a Directed Surveillance situation either by enforcement officers from relevant departments within the Council or outside Law Enforcement Agencies such as the Police, either the CCTV staff are to have a copy of the application form in a redacted format, or a copy of the authorisation page. If it is an urgent oral authority, a copy of the applicant's notes are to be retained or at least some other document in writing which confirms the authorisation and exactly what has been authorised. It is important that the staff check the authority and only carry out what is authorised. A copy of the application or notes is also to be forwarded to the Central Monitoring Officer for filing. This will assist the Council to evaluate the authorisations and assist with oversight.

Operators of the Councils CCTV system need to be aware of the RIPA issues associated with using CCTV and that continued, prolonged systematic surveillance of an individual may require an authorisation.

The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the line manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight.

Use of a Covert Human Intelligence Source (CHIS)

The use of CHIS should only be considered in exceptional cases and after consulting the Legal Section to ensure it is appropriate and all safeguards needed are in place. If authorised a CHIS authorisation lasts for 12 months before a renewal would be required.

Proper records must be kept of the authorisation and use of a source as required by the Regulation 3 of the Regulation of Investigatory Powers (Source Records) Regulations 2000 (SI no 2725) namely :

- a) the identity of the source;
- b) the identity, where known, used by the source;
- c) any relevant investigating authority other than the authority maintaining the records;
- d) the means by which the source is referred to within each relevant investigating authority;
- e) any other significant information connected with the security and welfare of the source;
- f) any confirmation made by a person granting or renewing an authorisation for the conduct or use of a source that the information in paragraph (e) has been

considered and that any identified risks to the security and welfare of the source have where appropriate been properly explained to and understood by the source;

- g) the date when, and the circumstances in which, the source was recruited;
- h) the identities of the persons who, in relation to the source, are discharging or have discharged the functions mentioned in section 29(5)(a) to (c) of the 2000 Act or in any order made by the Secretary of State under section 29(2)(c);
- i) the periods during which those persons have discharged those responsibilities;
- j) the tasks given to the source and the demands made of him in relation to his activities as a source;
- k) all contacts or communications between the source and a person acting on behalf of any relevant investigating authority;
- l) the information obtained by each relevant investigating authority by the conduct or use of the source;
- m) any dissemination by that authority of information obtained in that way; and
- n) in the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.

In addition the Code of Practice requires records to be kept of:

- a copy of the authorisation together with the supporting documentation and notification of the approval given by the authorising officer;
- a copy of any renewal of an authorisation, together with the supporting documentation submitted when the renewal was requested;
- the reason why the person renewing an authorisation considered it necessary to do so;
- any authorisation which was granted or renewed orally (in an urgent case) and the reason why the case was considered urgent;
- any risk assessment made in relation to the source;
- the circumstances in which tasks were given to the source;
- the value of the source to the investigating authority;
- a record of the results of any reviews of the authorisation;
- the reasons, if any, for not renewing an authorisation;
- the reasons for cancelling an authorisation;

- the date and time when any instruction was given by the authorising officer to cease using a source.

Authorising Officers must not grant an authorisation for a CHIS unless they believe that there are arrangements in place to ensure there is at all times a person responsible for maintaining a record of the use of that source.

All applications for authorisation for the use or conduct of a CHIS will be made on **Form 5** (reference **RIPA 5 CHIS authorising** form). The applicant in all cases should complete this.

The application process is the same as described earlier with the authorisation (if authorised) requiring the approval of a Justice of the Peace.

All applications for review of authorisation for the use or conduct of a CHIS will be made on **Form 6** (reference **RIPA 6 CHIS review** form). The applicant in all cases should complete this where the investigation/operation is to be continued.

All applications for authorisation for the use or conduct of a CHIS renewal will be made on **Form 7** (reference **RIPA 7 CHIS renewal** form). The applicant in all cases should complete this where the surveillance requires to continue beyond the previously authorised period (including previous renewal). The renewal will require approval of a Justice of the Peace and lasts for a further 12 months.

Where authorisation ceases to be either necessary or appropriate the Authorising Officer or appropriate deputy will cancel an authorisation using **Form 8** (reference **RIPA 8 CHIS cancellation** form).

Any person giving an authorisation for the use of CHIS must record on the appropriate form matters taken into account in reaching their decision and must be satisfied that :

- **no overt means** are suitable for the purpose
- the authorisation is for a prescribed lawful purpose (see above)
- account has been taken of the likely degree of intrusion into the privacy of persons other than those directly implicated/targeted in the operation or investigation (**collateral intrusion**)
- measures must be taken, where ever practical, to avoid unnecessary intrusion into the lives of those affected by collateral intrusion.
- the authorisation is necessary.
- the authorised surveillance proposed is proportionate;
- any equipment to be used is specified

Necessity

Surveillance operations shall only be undertaken where there is no reasonable and effective alternative way of achieving the desired objective(s).

Effectiveness

Surveillance operations shall be undertaken only by suitably trained or experienced employees (or under their direct supervision).

Proportionality

The use of surveillance shall not be excessive but shall be in proportion to the significance/harm of the matter being investigated. (i.e. don't use a sledge hammer to crack a nut).

Authorisation

All directed surveillance shall be authorised in accordance with this procedure.

Persons who repeatedly provide information

It is possible that members of the public repeatedly supply information to Council staff on either one particular subject or investigation or a number of investigations. It is important that Council staff make the necessary enquiries with the person reporting the information to ascertain how the information is being obtained. This will not only assist with evaluating the information but will determine if the person is establishing or maintaining a relationship with a third person to obtain the information, and then provide it to the Council staff. If this is the case, the person is likely to be acting as a CHIS and there is a potential duty of care to the individual which a duly authorised CHIS would take account of. Therefore Council staff should ensure that they are aware of when a person is potentially a CHIS by reading the above sections.

DURATION TIME OF AUTHORISATIONS

Directed Surveillance	3 Months
Renewal	3 Months
Covert Human Intelligence Source	12 Months
Renewal	12 months
Juvenile Sources	1 Month

All authorisations commence from the date approved by the Justice of the PEACE.

All Authorisations must be cancelled by completing a cancellation form. They must not be left to simply expire.

Surveillance outside of RIPA

As a result of the change in the law from the 1st November 2012 Directed Surveillance under RIPA will only apply to the detection and prevention of a criminal offence that attracts a penalty of 6 months imprisonment or more or relate to the sale of alcohol or tobacco to children. This essentially takes out surveillance of a lot of offences that the Council may investigate such as disorder (unless it has 6 months custodial sentence) and most summary offences such as littering, dog fouling etc.

This change does not mean that our enforcement officers cannot undertake such surveillance, but because it is **not now** regulated by the Office of Surveillance Commissioners, they have placed the responsibility to regularly monitor this type of activity on the Councils Senior Responsible Officer (SRO). As a result we need procedures in place to ensure that we can prove that we have given due consideration to necessity and proportionality which are central tenets of European Law and the likely grounds of any challenge that we may receive.

If it is necessary for the Council to undertake surveillance which does not meet the criteria to use the RIPA legislation, such as in cases of disciplinary investigations against staff or surveillance relating to Anti-Social Behavior appertaining to disorder, the Council must still meet its obligations under the Human Rights Act and be able to demonstrate that its actions to breach someone's article 8 rights to privacy are necessary and proportionate, which includes taking account of the intrusion issues. To demonstrate this accountability, the decision making process and the management of such surveillance must be documented. Therefore should staff have a requirement to undertake a covert surveillance which would meet the test of Directed Surveillance save for the fact that it does not meet the legal criteria relating to a criminal offence which have a sentence of 6 months imprisonment, or relate to the sale of alcohol and tobacco to children they should complete the Non RIPA Surveillance form and submit it to one of the RIPA Authorising Officers listed within this policy to be considered for authorisation before any activity can be undertaken. There will be no requirement to have the authorisation approved by a Justice of the Peace. Should the activity be approved the procedures to be followed will be the same as any RIPA authorised activity. Therefore the Council expects that the procedure and management from the initial surveillance assessment, through to completion and cancellation to be managed appropriately at the same level that the RIPA legislation and guidance requires. For further advice contact the RIPA central Monitoring Officer Loraine Martin.

Using the Internet to Conduct Online Covert Activity

The internet is a useful investigative tool, giving access to a large amount of information which could not otherwise be obtained. The techniques and websites used change frequently and so it is difficult for definitive guidance to be written by the OSC as, by the time it is published, it may be obsolete. There is also a lack of definitive case law in this area. However, there is no doubt that these types of enquiries pose a risk to the council for breaches of privacy and non-compliance with RIPA.

The codes of practice at 2.29 now provide guidance regarding the use of the internet to conduct covert enquiries. Therefore, the guidance provided in the codes of practice have been replicated in full to avoid confusion.

The use of the internet may be required to gather information prior to and/or during an operation, which may amount to directed surveillance. Whenever a public authority intends to use the internet as part of an investigation, they must first consider whether the proposed activity is likely to interfere with a person's Article 8 rights, including the effect of any collateral intrusion. Any activity likely to interfere with an individual's Article 8 rights should only be used when necessary and proportionate to meet the objectives of a specific case. Where it is considered that private information is likely to be obtained, an authorisation (combined or separate) must be sought as set out elsewhere in this Code. Where an investigator may need to communicate covertly online, for example contacting individuals using social media websites, a CHIS authorisation should be considered.

Officers may find the following rule of thumb guidance helpful:

*Access to open source material does not require a RIPA authorisation unless there are repeated visits to the same site. These normally occur when an attempt is being made to build a profile of the account operator. In that case directed surveillance authorisation **is** required. If the privacy controls are breached (eg. By becoming a "friend"), and a pseudo account is used, ensuring that the officer's identity as a council employee is hidden, then at least directed surveillance authorisation **will** be required. If direct contact is made with the account owner/operator and a relationship commences CHIS authorisation will be required. In the latter case it is a statutory requirement of RIPA that a controller, handler and record keeper are appointed to manage the operation and a risk assessment is created.*

Previous OSC guidance has stated that a computer is a surveillance device and have issued specific guidance regarding these types of enquiries.

If it does not meet the Directed Surveillance criteria, it is essential that detailed notes be made by any officer viewing material on the internet explaining what they were seeking, why it was necessary and proportionate to do so and why prior authorisation was not sought. Where material is printed or saved, consideration must be given to the management of the material as it is likely to contain private information about individuals not the subject of the enquiry.

There is other guidance available issued by the OSC which can be provided should staff require additional information.

RECORD KEEPING, TRAINING AND MONITORING

Security and Retention of Records

Each service division or discrete location within a division, must maintain a record of all applications for authorisations (including refusals), Judicial application/order form, renewals, reviews and cancellations on the appropriate form. Each individual form must be given a unique reference number issued by the RIPA Central Monitoring Officer. Such unique reference numbers should follow on in sequential order from that used for previous forms. The Authorising Officer in that service division or that location may maintain records for directed surveillance and covert human intelligence sources for their own records.

The Authorising Officer shall retain together the original authorisation, copy of the Judicial application/order form, review and renewal forms, copies being provided to the Central Monitoring Officer, until cancelled. On cancellation, the original application, review, renewal and cancellation forms and any associated documents shall be sent to the Central Monitoring Officer and retained in a file in a secure place for five years after cancellation, as required by the Act.

The codes do not affect any other statutory obligations placed on the Council to keep records under any other enactment such as the Criminal Procedure and Investigations Act 1996 (CPIA) This requires that material which is obtained in the course of an investigation and which may be relevant to the investigation must be recorded, retained and revealed to the prosecutor.

Training

The Senior Responsible Officer will have responsibility for ensuring appropriate training for staff mentioned within this policy and for retaining a record of that training. They must supply a copy of the record to the RIPA Coordinating Officer at regular intervals. Refresher training for both applicants and Authorised Officers will be conducted at 18 monthly intervals and additional training for designated CHIS handlers at the same frequency.

Central Register

The RIPA Coordinating Officer will maintain the Central Register of Authorisations. Authorising Officers shall notify the RIPA Coordinating Officer within 48 hours of the grant, renewal or cancellation of any authorisation and the name of the applicant officer to ensure the accuracy of the central register.

Errors

There is a requirement to report all covert activity that was not properly authorised to IPCO in writing as soon as the error is recognised. An initial e-mail alerting IPCO should be followed by a report from the SRO detailing the circumstances and remedial action taken. An error includes activity which should have been authorised but wasn't or which was conducted beyond the directions provided by the authorising officer. It is therefore important that when an error has been identified it is brought to the attention of the SRO in order to comply with this guidance. The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This is to confirm that any direction provided by the Chief Surveillance Commissioner has been followed. This will also assist with the oversight provisions of the Councils' RIPA activity.

This does not apply to covert activity which is deliberately not authorised because an authorising officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA. (See oversight section below)

Senior Responsible Officer

Overall oversight within the Council will fall within the responsibilities of the Senior Responsible Officer (SRO) for the Council. The SRO is responsible for:

- the integrity of the process in place within the *public authority* to authorise directed surveillance
- compliance with Part II of the 2000 Act, Part III of the 1997 Act and with this code;
- engagement with the Commissioners and inspectors when they conduct their inspections, and

where necessary, overseeing the implementation of any post inspection action plans recommended or approved by a Commissioner

Reporting to Members Annual returns of all surveillance activity undertaken by Council staff including joint surveillance and Directed Surveillance using the CCTV system will be compiled by the RIPA Coordinating Officer and provided to the Corporate Governance Panel annually in line with the current advice in the Codes of Practice. Members will review on a yearly basis the policy to assess whether the activity undertaken is in line with this policy.

The Investigatory Powers Commissioner's Office

The Investigatory Powers Commissioner's Office provides an independent overview of the use of powers contained within the Regulation of Investigatory Powers Act 2000. This scrutiny includes inspection visits to local authorities by inspectors appointed by the IPCO and the provision of annual reports by the Council to the IPCO on all relevant surveillance activity undertaken as part of this policy.

It is the duty of any person who uses these powers to comply with any request made by a Commissioner to disclose or provide any information he requires for the purpose of enabling him to carry out his functions.

The Investigatory Powers Commissioner's Office may be contacted at :

Investigatory Powers Commissioner's Office

PO Box 29105

London SW1V 1ZU

Telephone : 020 7035 8543

<https://ipco.org.uk/>

The Regulation of Investigatory Powers Act 2000 also establishes an independent tribunal, the **Investigatory Powers Tribunal**. This has full powers to investigate and decide any cases within its jurisdiction.

ADVICE

If you require further advice about covert surveillance, please contact the RIPA Central Monitoring Officer. In particular advice should be sought before considering the use of a covert human intelligence source where considerations of risk assessment, insurance, managing tasking the source and ensuring confidentiality require specific consideration.

POLICY UPDATING PROCEDURE

Proposed amendments to this Policy must be forwarded to the Head of Legal and Democratic Services be authorised to make any amendments to the policies in the future

after consultation with the Chairman of the Corporate Governance Panel and subject to the matter being reported to the next meeting of the Corporate Governance Panel.

The Policy shall be reviewed annually as suggested in OSC guidance. This will enable the Council to ensure it remain up to date and fit for purpose-

FURTHER INFORMATION ENQUIRIES AND COMPLAINTS

The RIPA Coordinating Officer is the first point of contact on any of the matters raised in this policy statement. Enquiries should be addressed to:

The RIPA Coordinating Officer
Corporate Fraud Section
Huntingdonshire District Council
Pathfinder House
St Mary's Street
Huntingdon
Cambridgeshire
PE29 3TN
Tel : (01480) 388388 or direct dial (01480) 388861

The RIPA Coordinating Officer is the Council's Corporate Fraud Manager and will be responsible for dealing with all internal and external enquiries and complaints. All complaints should be in writing, dated and include details of the complaint and also an account of the nature of the problem.

The Council will attempt to complete internal investigations within 20 working days. An acknowledgement of the complaint should be despatched to the complainant as soon as possible after its receipt.

Lorraine Martin
Corporate Fraud Manager
1.2.18

ANNEX A

HOME OFFICE MODEL FORMS

RIPA 1DS Authorising Form

RIPA 2DS Review Form

RIPA 3DS Renewal Form

RIPA 4DS Cancellation Form

RIPA 5CHIS Authorising Form

RIPA 6CHIS Review Form

RIPA 7CHIS Renewal Form

RIPA 8CHIS Cancellation Form

Note:

DS : Directed Surveillance

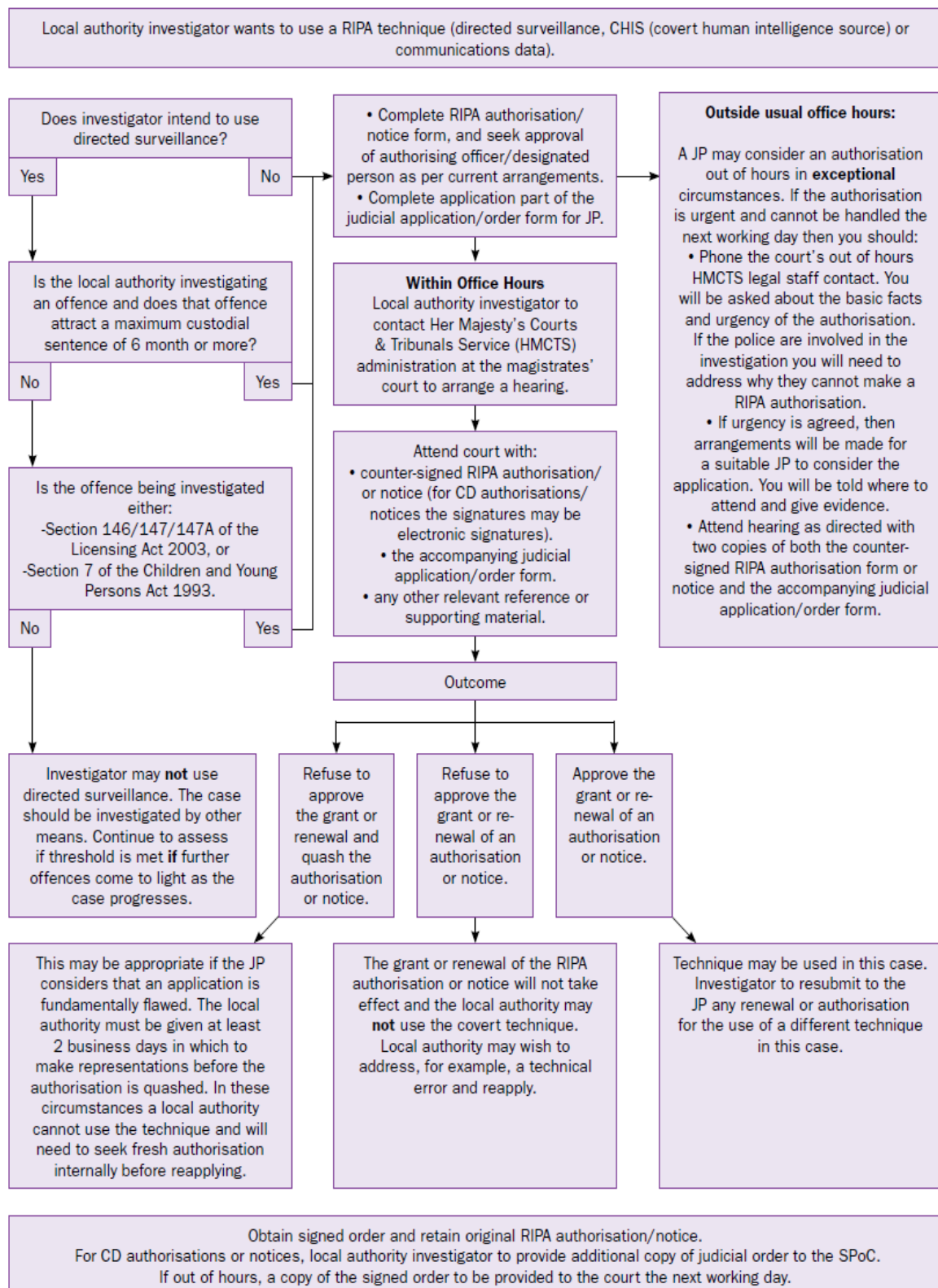
CHIS : Covert Human Intelligence Source

ANNEX B

LIST OF OFFICERS ROLES

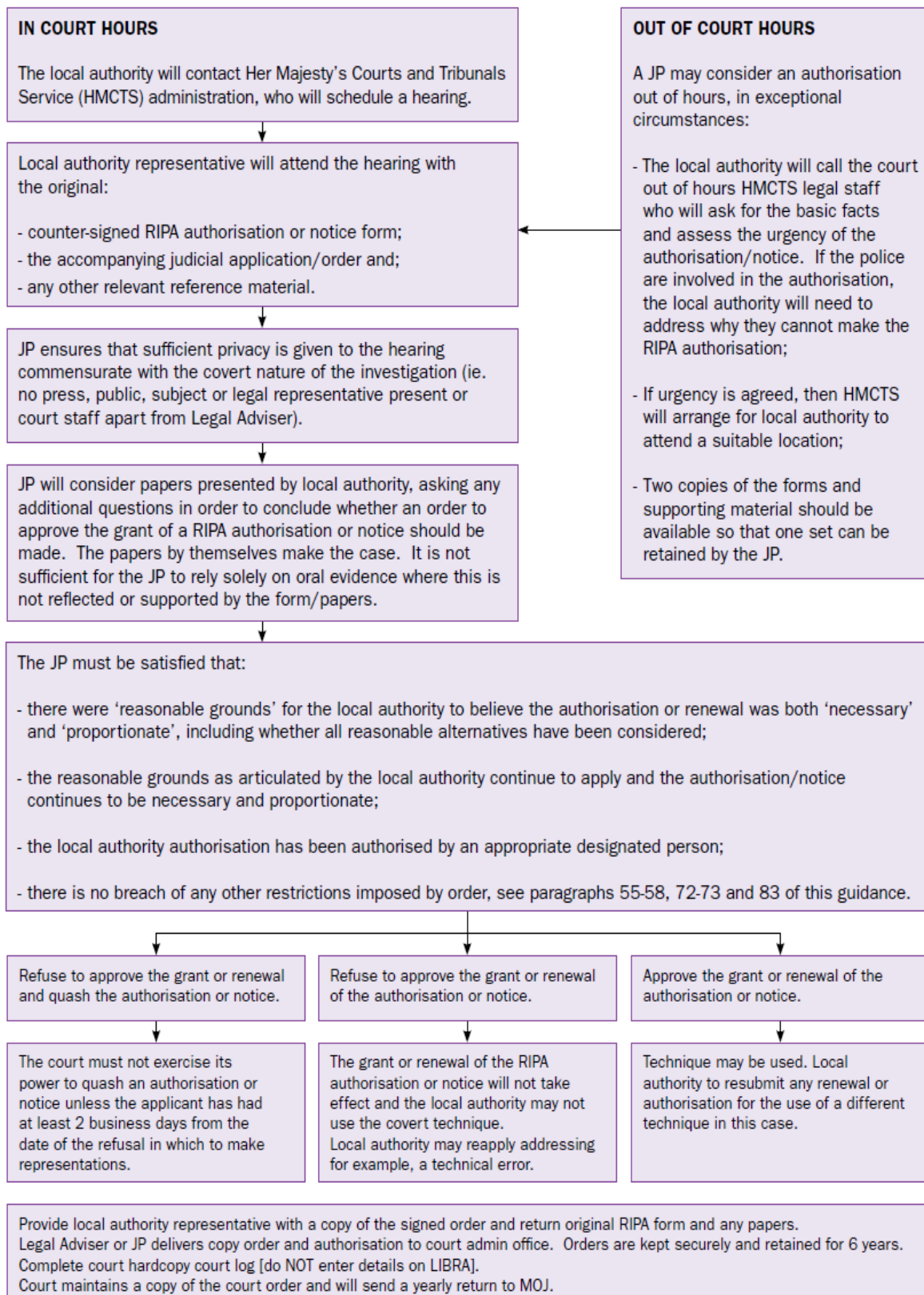
ROLE	SERVICE	POST	POST HOLDER
Coordinating Officer	Council-wide	Fraud Manager	<u>Lorraine Martin</u>
Senior Responsible Officer/authorising Officer	Council-Wide	Head of Operational Services	<u>Oliver Morley</u>
Senior Authorising Officer	Council-Wide	Chief Executive	<u>Jo Lancaster</u>
Authorising Officer	Customer Services	Head of Customer Service	<u>Amanda Burns</u>
Authorising Officer	Environmental Health and Community Services	Head of Environmental Health Services	<u>Chris Stopford</u>
Authorising Officer	Planning Services	Head of Planning Services	<u>Andy Moffatt</u>

LOCAL AUTHORITY PROCEDURE: APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



Annex D

PROCEDURE: LOCAL AUTHORITY APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



Application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.

Local thorty:.....
Local authority department:.....
Offence under investigation:.....
Address of premises or identity of subject:.....
.....
.....

Covert technique requested: (tick one and specify details)

- Communications Data**
- Covert Human Intelligence Source**
- Directed Surveillance**

Summary of details

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Note: this application should be read in conjunction with the attached RIPA authorisation/RIPA application or notice.

Investigating Officer:.....
Authorising Officer/Designated Person:.....
Officer(s) appearing before JP:.....
Address of applicant department:.....
.....
Contact telephone number:.....
Contact email address (optional):.....
Local authority reference:.....
Number of pages:.....

Order made on an application for judicial approval for authorisation to obtain or disclose communications data, to use a covert human intelligence source or to conduct directed surveillance. Regulation of Investigatory Powers Act 2000 sections 23A, 23B, 32A, 32B.

Magistrates' court:.....

Having considered the application, I (tick one):

- am satisfied that there are reasonable grounds for believing that the requirements of the Act were satisfied and remain satisfied, and that the relevant conditions are satisfied and I therefore approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal of the authorisation/notice.
- refuse to approve the grant or renewal and quash the authorisation/notice.

Notes

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Reasons

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Signed:

Date:

Time:

Full name:

Address of magistrates' court:

Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Local Code of Corporate Governance
Meeting/Date: Corporate Governance Committee – 13 June 2018
Executive Portfolio: Leader of the Council: Councillor G Bull
Report by: Internal Audit & Risk Manager
Wards affected: All Wards

Executive Summary:

In July 2016 the Committee approved a revised Local Code of Corporate Governance (Code).

The Code contains seven principles that underpin the Council's overall governance structure. Its overall aim is to ensure that:

- resources are directed in accordance with agreed policy and according to priorities;
- there is sound and inclusive decision making; and
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

Evidence to support the seven principles is reviewed annually and the updated Code is published on the Council's website to support the Council's Annual Governance Statement (AGS).

The Code as at 31 May 2018 is attached (Appendix 1). There are no changes to the seven principles. The main changes from the September 2017 Code are the inclusion of references to:

- The 'icare' values;
- Commercialisation aims and the formation of HDC Ventures Ltd;
- The Council's decision to introduce two new Overview & Scrutiny Panels and decommission the Panels that operated during the 2017/18 municipal year;
- The creation of the new post of Assistant Director (Transformation); and
- The General Data Protection Regulations.

Where appropriate, updates have also been made to hyperlinks within the Code to documents available on the Council's website.

RECOMMENDATION

It is recommended that the Committee:

1. Review and endorse the (May 2018) Local Code of Corporate Governance.

1. PURPOSE OF THE REPORT

- 1.1 To update the Committee on changes made to the supporting narrative to the Local Code of Corporate Governance (Code).

2. WHY IS THIS REPORT NECESSARY

- 2.1 The Committee has responsibility for reviewing the Council's Code of Corporate Governance and approving the Annual Governance Statement (AGS).

3. ANALYSIS

- 3.1 In 2016 changes were made to the 'proper practices' framework (Delivering Good Governance in Local Government) that detailed the processes to be followed for preparing the Council's AGS. There were two major changes; the introduction of seven core principles (and further sub-principles) and the ability to remove from the AGS a substantial amount of narrative that described the Council's governance arrangements. Consequently in preparing the 2016/17 AGS the Code was developed and used for the first time to convey the governance arrangements in place (as at September 2017) across the Council.
- 3.2 The 2017/18 AGS will be presented to the July Committee for approval. In preparation for this, the Code has been reviewed. As the Code was prepared for the first time in September 2017, consequently only a small number of changes are required. These are summarised below.

Inclusion of the 'icare' values
(within Principle 1).

Employment Committee in November 2017 endorsed the adoption of a set of five values, that were allow the Council to drive continuous improvement on an ongoing basis and support staff in delivering services. (Principle 1).

Commercialisation
(within Principle 4).

Cabinet approved the creation of a local authority trading company in November 2016 as the first step in the Councils development of a range of commercial and income generating activities. In June 2017 the Cabinet approved the creation of HDC Ventures Ltd to support the Council in its aim of becoming financially self-sufficient by 2020.

Establishment of two new overview & scrutiny panels
(within Principle 2 and 6).

The Council had three Overview & Scrutiny Panels during the 2017/18 municipal year, each of which was responsible for overseeing one of the three Corporate Plan objectives.

Overview & Scrutiny Panel
(Communities and Environment)
(Economy and Growth)
(Performance and Customers)

In May 2018 the Council decided to replace these three Panels with the following two:

Overview and Scrutiny Panel
(Customers and Partnerships)
(Performance and Growth)

New post: Assistant Director (Transformation)
(within Principle 1).

This new post was created in October 2017 and is part of the Corporate Management Team. This post will work closely with other senior leaders to reshape the way the whole authority does business. Ensuring better outcomes for our customers by developing, leading and delivering the Council's ongoing business transformation and improvement programme.

General Data Protection Regulations (GDPR)
(within Principle 6).

In accordance with the GDPR the Council has appointed a Data Protection Officer. The Information Governance Manager, who has been leading the GDPR implementation project has been appointed to this position. Reference has also been made to the new privacy notice and the document retention and management policy has been hyperlinked.

4. KEY IMPACTS

- 4.1 If the local code is not endorsed, substantial elements of it will need to be included in the AGS. This will make the AGS a long and unwieldy document and move its focus away from the significant issues that Committee have already approved for inclusion.

5. WHAT ACTIONS WILL BE TAKEN

- 5.1 The Code will be uploaded to the Council's website ahead of the Committee's approval of the AGS.

6. LINK TO THE CORPORATE PLAN

- 6.1 Good corporate governance arrangements underpin delivery of all aspects 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 Code has been updated to reflect governance changes introduced across the Council from September 2017. Committee are responsible for reviewing the Code and approving the AGS. It is appropriate for them to review and endorse changes to the Code ahead of its publication.

9. LIST OF APPENDICES INCLUDED

Appendix 1 – Local Code of Corporate Governance (May 2018).

BACKGROUND PAPERS

None.

CONTACT OFFICER

David Harwood, Internal Audit & Risk Manager

Telephone: 01480 388115

Email: david.harwood@huntingdonshire.gov.uk

Huntingdonshire District Council
Local Code of Corporate Governance
as at 31 May 2018

The Council is committed to ensuring good governance principles and management practices are adopted in all its business activities.

The Council revised its Code of Corporate Governance (Code) in July 2016 to take account of the 2016 CIPFA/SOLACE¹ proper practice framework “*Delivering Good Governance in Local Government*”. The Code is a key document that supports the preparation of the Council’s statutory Annual Governance Statement (AGS).

The Code has seven Principles.

Acting in the public interest requires a commitment to and effective arrangements for:

1. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.

In addition, achieving good governance also requires effective arrangements for:

3. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
4. Determining the interventions necessary to optimise the achievement of the intended outcomes.
5. Developing the Council’s capacity, including the capability of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and strong public financial management.
7. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

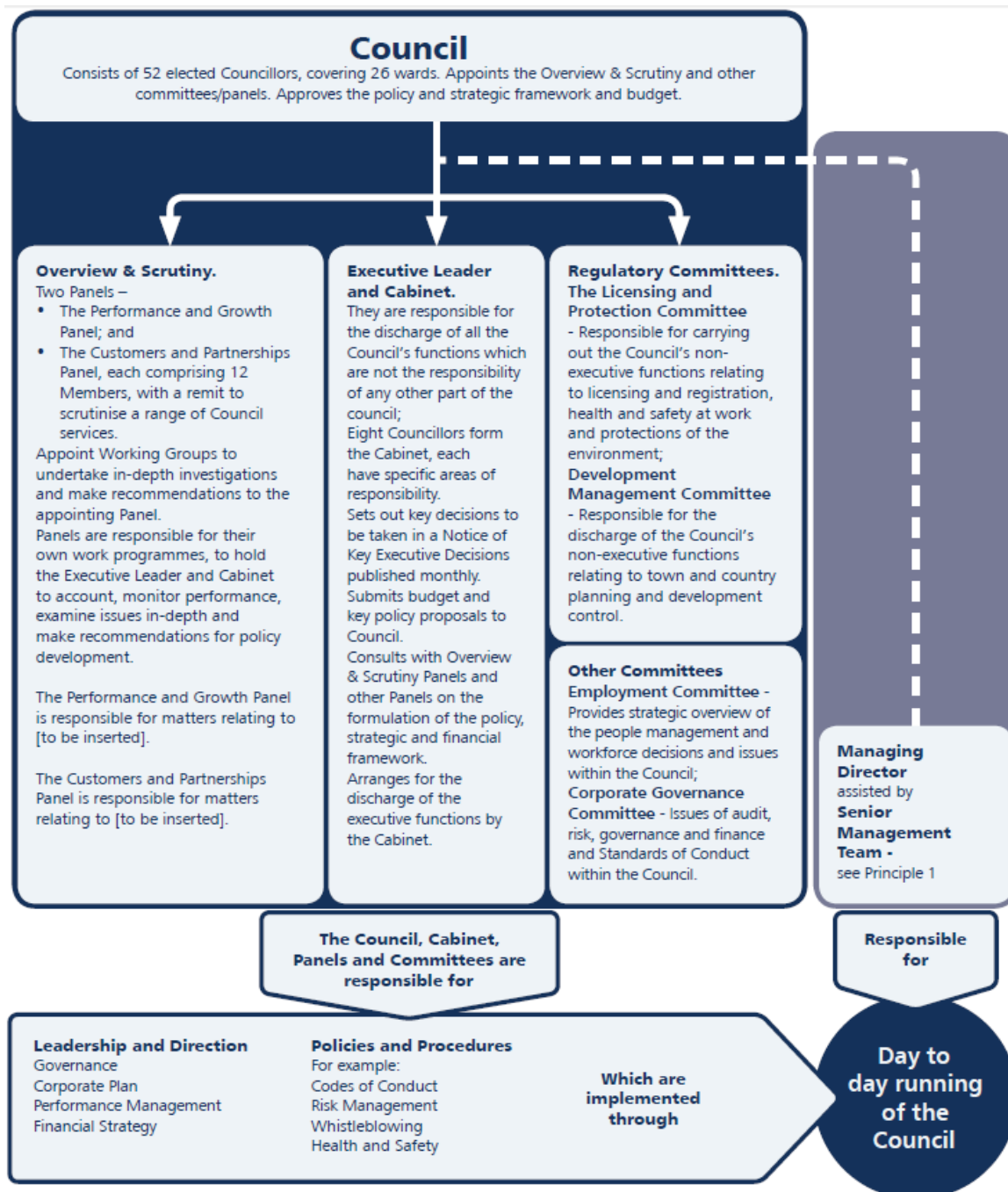
The seven Principles are delivered via the Council’s governance framework – which details the behaviours and actions that demonstrate governance in practice – and which are set out over the following pages through a number of ‘we will’ statements.

Comments on how the Council is delivering the ‘we will’ statements has also been included. A number of the comments apply to more than one Principle. To avoid repetition, comments have only been included once. At the end of the Code, a schedule of key documents has been included.

¹ CIPFA is the Chartered Institute for Public Finance Accountancy and SOLACE is the Society of Local Authority Chief Executives.

The Council recognises that it is important that the framework is applied in such a way that it demonstrates both the spirit and ethos of good governance. This cannot be achieved by the implementation of policies and procedures alone but also requires the culture of the Council and its core values to be reflective of the hallmarks of good governance.

The Council: How it works



Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

We will behave with integrity, by:

Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation

Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).

Leading by example and using these standard operating principles or values as a framework for decision making and other actions.

Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.

We will demonstrate a strong commitment to ethical values, by:

Seeking to establish, monitor and maintain the organisation's ethical standards and performance.

Underpinning behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.

Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.

Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.

We will respect the rule of law, by:

Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.

Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements

Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.

Dealing with breaches of legal and regulatory provisions effectively.

Ensuring corruption and misuse of power are dealt with effectively.

Commentary : *The Council is accountable not only for how much it spends but also for the way it uses the resources which have been entrusted to it. We also have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies.*

The Leader of the Council requires all Members and Officers to always behave professionally and with integrity. Expectations of standards and behaviour are contained in the Codes of Conduct for both Officers and [Members](#). These are both based around the seven Nolan Principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

A number of registers are maintained (e.g. gifts and hospitality, staff interests in contracts) that employees are required to complete. These are available on the Council's intranet pages. The Deputy Monitoring Officer (DMO) maintains the registers, for both employees and Members. Reminders are issued to staff to keep them aware of the need to inform the DMO of any interests they may have.

The Code of Conduct for Members clearly sets out the standards of personal behaviour expected. The Council has given its Corporate Governance Committee the authority to investigate any breaches and decide what action should be taken against any Member who has been found to be in breach of the Code. The Council's website also contains information on how to make a complaint about the [conduct of a Member](#), or the delivery of any aspect of the Council's services. The Corporate Governance Committee receive an [annual report](#) on complaints received.

At the start of all Council and Committee meetings, Members are asked to declare any pecuniary or other interests they may have that relate to the items that are to be discussed. It is usual practice for Members who have declared a disclosable pecuniary interest in an item to leave the meeting whilst that item is being discussed. All interests disclosed are recorded in the minutes of the meeting.

A cross-party Constitution Review Advisory Group was set-up to support the Monitoring Officer in undertaking a review of the Constitution, which was approved by the Council in March 2016. No changes have been to the [Constitution](#) since with the exception of minor amendments to the Code of Procurement and Code of Financial Management as recommended by the Corporate Governance Committee.

The Code of Financial Management and Code of Procurement contain the rules that employees are required to follow with regard to budgeting, other financial matters and the purchasing of goods and services. Monitoring of adherence to the Codes is performed by a number of staff, including Accountants, Internal Audit and the Procurement Manager and through regular budget monitoring reports to Members.

The Constitution also contains a number of other Codes and Protocols that govern the conduct of Members – these are the Member Code of Conduct, disclosable and non-disclosable interests, complaints process and codes of good practice for both planning and licensing. There are also protocols that deal with Member/Officer working and the roles and responsibilities of the Executive Leaders of the Council and the Head of Paid Service.

The Managing Director is the Council's [Head of Paid Service](#) and she is responsible for how the Council operates. She is assisted by both the Corporate Management Team (which comprises the Managing Director, two Corporate Directors and the Assistant Director, Transformation) and the Senior Management Team. The senior management structure can be found on page 8.

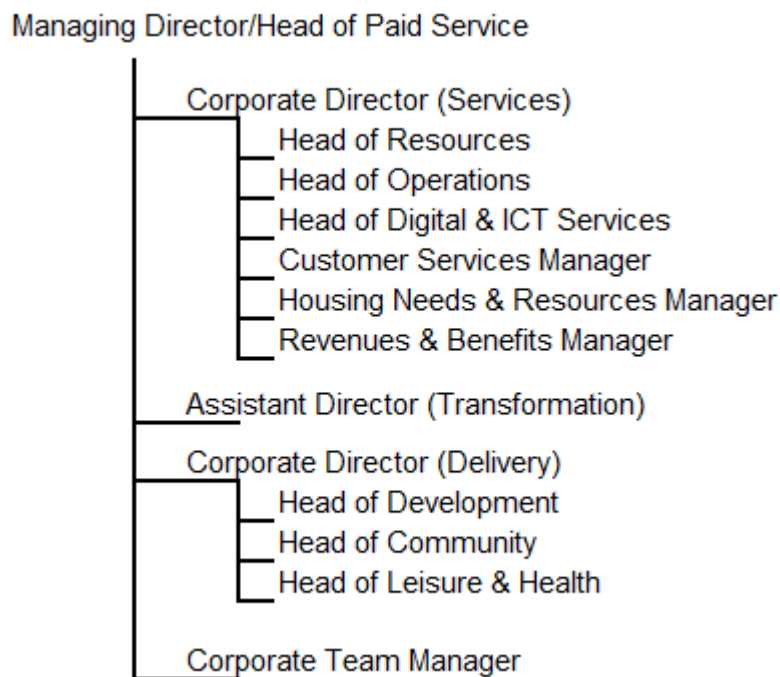
The Council is required to appoint a Monitoring Officer, whose role includes ensuring that decision making is lawful and fair. Cambridge City Council's Head of Legal Practice (via the Legal shared service arrangement) holds this position. The Monitoring Officer is not a member of the senior management structure but has the right to attend when necessary and access all other Council meetings and documents. The Monitoring Officer also has a number of statutory responsibilities, amongst them the duty to report to the

Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Council if any proposal, decision or omission may give rise to the contravention of any act or law.

The Council has also appointed the Head of Resources to be the Responsible Financial Officer. The Head of Resources is a CIPFA qualified accountant and a member of the Senior Management Team. He is responsible for delivering and overseeing the financial management arrangements of the Council. The role conforms with the good practice requirements within the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.

The senior management structure is shown below.



The Council uses its legal powers, including the ‘general power of competence’ to promote its values and priorities. The Council, whilst having full regard to the extent of its powers to benefit communities, does not act beyond them.

Professional advice is taken on matters that have legal or financial implications as part of the decision making process and this advice, irrespective of its nature, is contained in reports considered by Members.



Employees are appraised annually. This includes an assessment of their compliance with the key competencies relevant to their job and the Employees Code of Conduct. In April 2018 a new set of key values were launched, known by the acronym ‘icare’ – Inspiring, Collaborative, Accountable, Respectful and Enterprising. All of the Council’s permanent staff have been briefed on the icare values and how they will be used to support the delivery of each employee’s 2018/19 personal appraisal targets and objectives.

Principle 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

New employee welcome/induction events are held on a quarterly basis and led by the Managing Director or a Corporate Director. All new employees are required to attend. During the event, employees are told what is expected of them and the high standard of behaviour they are required to exhibit.

New Councillors are also required to attend an induction event. In respect of Councillors newly elected at the 3 May 2018 elections, this event was held on 16 May. In addition, Councillors who are members of the Licensing Committee, Licensing & Protection Committee and Development Management Committee are required to attend annual training relevant to these roles.

To support both its employees or any of its suppliers who wish to raise a concern about inappropriate actions or behaviours, the Council has a [whistleblowing policy](#). Those who raise genuine concerns are protected from recrimination and supported. The Council is a signatory to Public Concern at Works (PCaW) First 100 campaign and the whistleblowing policy follows PCaW best practice guidance.

The Council has approved an [Anti-Fraud and Corruption Strategy](#) that endorses the requirement for Members and staff to adhere to the Nolan Principles and maintains a Counter Fraud Team (CFT) that proactively searches for frauds that may be being committed against the Council. The [CFT annual report](#) to the Corporate Governance Committee includes information on their performance and sets out priorities for the forthcoming year.

The CFT were instrumental in introducing [TrustID](#), identity checking and verification software into the Council during 2016/17. Potential service users have original identification documents scanned and checked prior to being allowed to access certain services. During 2017/18 similar checks were introduced on all prospective employees.

Principle 2: Ensuring openness and comprehensive stakeholder engagement

We will be open, by:

Demonstrating, documenting and communicating a commitment to openness.

Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential shall be provided.

Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.

Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear

We will engage with institutional stakeholders, individual citizens and service users effectively, by:

Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.

Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.

Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.

Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.

Ensuring that partnerships are based on:

- trust
 - a shared commitment to change
 - a culture that promotes and accepts challenge among partners;
- and that the added value of partnership working is explicit.

Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.

Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.

Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.

Taking account of the interests of future generations of tax payers and service users.

Commentary: *The Council is run for the public good and it is important that we are open about our activities and have clear channels of communication and engagement with all stakeholders. We must demonstrate that we act in the public interest at all times to maintain trust and confidence. We should demonstrate clear reasoning in our decision making and ensure that this is formally recorded and available for public scrutiny.*

The Councils priority outcomes are contained within the [Corporate Plan](#) which is available on its website. As is the [Annual Governance Statement](#), which details

Principle 2: Ensuring openness and comprehensive stakeholder engagement

significant governance improvements that are required and progress that has been in delivering improvements identified in previous years.

The Council makes all efforts to ensure that its decision making processes adhere to the principles of good administrative law, respect human rights and demonstrate rationality, legality and natural justice.

[Meeting agendas and reports](#) are published on the website unless there is a need to preserve confidentiality and the current requirements of Schedule 12A of the Local Government Act 1972 are met. Committee meetings are open to the public for all but exempt items. Minutes of all [public meetings and decisions](#) taken are available via the website. Whilst meeting minutes are not verbatim records, they do capture questions and responses and any professional advice that may be given.

The Council ensures that its most significant decisions (known as '[key decisions](#)') are recorded and information relating to them, subject to limited exemptions, is made available through the website. A [forward plan](#) of reports that will give rise to key decisions is available on the website.

A [calendar of meeting](#) dates is available on the website.

Whilst the Council does not yet broadcast its meetings, it does support the principle of transparency and permits the [filming](#), recording and the taking of photographs in meetings that are open to the public. It also welcomes the use of social networking websites (such as Twitter) to allow 'live' communication with people whilst meetings are ongoing. The public are able to put questions and comments to Members about relevant matters when they are being considered at the Development Management Committee, Licensing Committee, and Licensing and Protection Committee.

Up until the annual Council meeting on the 23 May 2018, the Council had three Overview & Scrutiny Panels that scrutinise both the Council's business and also developments across the District that have wide ranging implications for its residents (e.g. Hinchingbrooke and Peterborough Hospitals merger, regulatory judgement by the Home and Communities Agency (now Homes England) on a local housing association). The Annual Council meeting reduced the number of Panels to two, introducing an Overview & Scrutiny Panel for Performance & Growth and one for Customers & Partnerships.

The Council has a formal [Consultation and Engagement Strategy](#). This ensures we have a consistent approach to the way that we consult and engage with residents and other stakeholders. Supporting the Strategy are guidance documents that explain to employees how to undertake effective consultations and how to engage with hard to reach groups. All current consultations are listed on the [Consultations](#) webpage, providing direct links to the relevant consultation documents, further information and surveys etc. Consultation activities are planned to coincide with business developments.

An Internal and External Communications Strategy is in place, which sets out how the Council will inform and engage with its Members, employees, residents and other stakeholders.

The Council publishes a lot of information on its [website](#). The site was awarded four stars by SoCITM² from its 2017 Better Connected survey – which reviewed the Councils websites ability to provide quick and easy 'customer journeys' and successful resolution of a series of top tasks.

² Society of Information Technology Managers

Principle 2: Ensuring openness and comprehensive stakeholder engagement

The Council publishes on its website the data required by the Local Government Transparency Code 2015. [Data sets](#) that are frequently requested via the Freedom of Information process are also published. We have also adopted a [publication scheme](#) that sets out what information we publish without a formal request having to be made under the Freedom of Information Act.

The Council is committed to considering and acting upon feedback from its residents and service users. It has a formal [complaints and feedback](#) process so that it can respond to complaints and identify where improvements in service delivery are needed and learn from the complaints it has received.

An internal audit review of the customer feedback process was undertaken during 2016/17. It concluded that overly bureaucratic and time consuming systems were in place to handle customer complaints and a fundamental review of the complaints handling procedure should be completed. This was agreed and work is currently underway to improve the process. This issue was included in the 2016/17 annual governance statement as an improvement area. Work has been undertaken to improve processes, however at the date of this statement, they have not been fully introduced.

Principle 3: Defining outcomes in terms of sustainable economic, social and environmental benefits

We will define outcomes by:

Having a clear vision (an agreed formal statement) of the Council's purpose and intended outcomes, containing appropriate performance indicators, which provides the basis for our overall strategy, planning and other decisions.

Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer

Delivering defined outcomes on a sustainable basis within the resources that will be available.

Identifying and managing risks to the achievement of outcomes.

Managing service user's expectations effectively with regard to determining priorities and making the best use of the resources available.

We will provide sustainable economic, social and environmental benefits, by:

Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.

Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.

Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.

Ensuring fair access to services.

Commentary: *The Council has prepared and published a Corporate Plan and a medium term financial strategy which is a financial representation of the Council's vision and supports its priorities.*

The Council's priority outcomes are contained within the [Corporate Plan](#) which is available on its website. The Council's vision is to

Improve the quality of life, deliver economic growth and provide value for money services for the people of Huntingdonshire.

There are a number of supporting priorities and ambitions to ensure efforts remain focused on the vision amongst which the ambition to reduce the Council's reliance on Central Government Funding and is so doing create a sustainable financial platform.

The Corporate Plan drives the Council's budget and service planning process, ensuring that resources are allocated to deliver and develop the Plan and associated targets in the most effective and efficient way.

Principle 3: Defining outcomes in terms of sustainable economic, social and environmental benefits

The Council sets an annual budget and prepares a medium-term financial strategy which details financial assumptions made and outlines capital spending commitments. Between preparing the draft budget and the approval of the final budget, over 1500 businesses and voluntary sector organisations are consulted and ask for their views on service priorities and Council Tax levels. For the 2018/19 budget consultation only xxx responses were received.

All Services have their own service plans and suite of performance measures that detail how they intend to enable delivery of the Corporate Plan. The Service Plans for 2018/19 reflect the 'icare' values, which in turn will feed into employee's work objectives and targets.

The Council's performance management framework sets out the corporate and budget planning cycle. The Senior Management Team and Cabinet receive monitoring reports at regular intervals that show the progress that has been made against the Corporate Plan targets and if necessary, the action to be taken to improve performance. The Corporate Directors regularly review service plan targets and achievements.

The Council maintains a [risk register](#) – both at a Corporate and Operational level. The [risk management strategy](#) is reviewed annually by the Cabinet and requires the Corporate Management Team to review and challenge corporate risk register entries at least once every three months. The Senior Management Team undertake a similar review in respect of operational risks. Service plans include references to risk register entries.

Major regeneration projects are being developed across the District and the Council is represented on the Cambridgeshire and Peterborough [Combined Authority](#). It was also represented on the [Greater Cambridgeshire Greater Peterborough Enterprise Partnership](#) (LEP) until it ceases to operate on the 31 March 2018. These relationships have proved very beneficial, for example the developers of Alconbury Weald (who are delivering over 3m² of commercial space and 5000 homes) commissioned the Council to operate the gym facility they built for residents.

The Council has developed a stand-alone economic development website – [Invest in Huntingdonshire](#) – that details the opportunities available to businesses who may be looking to relocate into the Cambridgeshire or surrounding areas.

The Council committed to providing equality in its policy-making, service delivery and employment. [Further details](#) are available on the website.

Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes

We will determine when interventions are required by:

Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided.

Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.

We will plan interventions by:

Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.

Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.

Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.

Ensuring capacity exists to generate the information required to review service quality regularly.

Considering and monitoring risks facing each partner when working collaboratively including shared risks.

Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan.

Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.

Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.

We will optimise the achievement of intended outcomes by:

Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.

Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.

Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.

Ensuring the achievement of 'social value' through service planning and commissioning.

Commentary: *The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions that focus on delivering effective and efficient services to residents and its business community. Performance, audit, risk and financial reporting are used to identify areas of concern and plan for interventions.*

Principle 4: Determining the interventions necessary to optimise the achievement of the intended outcomes

A [strategic resources plan](#) covering the period 2017/18 to 2020/21 has been approved that highlights efficiency initiatives that are being developed over and above those included in the medium term financial strategy.

The Council's Corporate Plan and supporting strategic resources plan includes for the creation of new commercial lines of income - £50k is initially forecast - to support the Council in its aim of becoming financially self-sufficient by 2020. The Cabinet approved the establishment of a Local Authority Trading Holding Company together with associated or subsidiary companies in November 2016. In July 2017 Hunts Ventures Ltd was incorporated.

It is expected that further subsidiary companies will be incorporated during 2018/19 once commercial and contractual arrangements for Document Management and CCTV operations have been agreed with private sector partners.

An agenda plan is maintained that lists reports that are due to be presented to the various Council Committees etc. over the next six months. This [forward business](#) planning ensures that reports on both strategic and operational matters are not overlooked.

The Council has an internal report review and clearance process to ensure that all reports published are an accurate reflection of the matter being discussed, have objective and rigorous analysis of options and show no bias, setting out as appropriate the relevant financial, legal or risk impacts.

If reports identify the need for intervention, the effectiveness of the intervention is monitored through regular update reports and the quarterly budget and performance reporting process.

The Council [procures](#) goods and services in compliance with EU, UK and Council regulations and ensure that value for money is obtained through considering the social, economic and environmental impacts that can be derived from procurement spend. The Council has had limited opportunities to embrace the 'social value' concept as only one or two contracts each year exceed the EU threshold at which the Social Value Act 2012 applies.

Principle 5: Developing the Council's capacity, including the capability of its leadership and the individuals within it

We will develop the Council's capacity by:

Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.

Improve resource use through the application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently.

Recognising the benefits of partnerships and collaborative working where added value can be achieved.

Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.

We will develop the capability of the Council's leadership and other individuals by:

Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.

Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.

Ensuring that there are structures in place to encourage public participation

Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections

Holding staff to account through regular performance reviews which take account of training or development needs.

Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing

Ensuring the leader and the Managing Director have clearly defined and distinctive leadership roles within a structure whereby the Managing Director leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.

Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by ensuing:

members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.

members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.

personal, organisational and system-wide development through shared learning, including lessons learnt from governance weakness both internal and external.

Principle 5: Developing the Council's capacity, including the capability of its leadership and the individuals within it

Commentary: *The Council has developed a management structure that provides corporate leadership and creates the opportunity for staff to work effectively and efficiently in order to achieve its objectives. Training and support is provided to enable staff to develop their skills so that they can achieve their full potential.*

The Council aims to be financial self-sufficient by 2020/21. It has published a four year [efficiency plan](#) that contains three main efficiency strands – income generation, increasing Council Tax and the commercial investment strategy.

Zero based budgeting reviews have been completed across all services during 2014/15 and 2015/16 to give the Council a more robust and confident approach to budget setting.

Looking to develop capacity and deliver better outcomes whilst not increasing its cost base, the Council has been actively pursuing shared service initiatives. To date the Council has established shared service arrangements in respect of Disabled Facilities Grant Assessment and Administration, CCTV, Legal, Building Control and Information and Communication Technology (ICT). These collaborative arrangements have primarily been with two local strategic partners, Cambridge City Council and South Cambridgeshire District Councils with some two way and some three way. The latter three services are managed under a Joint Committee arrangement under the “3C’s” shared services brand.

Staff have been TUPE'd between the 3C Council's to allow the lead authority for the shared service to take full responsibility for staffing matters – pay, staff development etc. The Council is the lead for the ICT shared service.

The Council contracted out its Human Resources and Payroll functions in 2012. After considering the benefits of continuing with that arrangement or another, the decision was taken to bring the service back in-house from April 2017.

The Executive Leader of the Council and the Managing Director have clearly defined roles which are set out in the Protocol for the Relationship between the Executive Leader of the Council and the Head of Paid Service. A copy of the Protocol is included in Part 5 of the [Constitution](#).

The Constitution also sets out in Part 3, the responsibility for functions – those that are reserved to the Council, Cabinet or a Committee and those that are delegated to Officers. The scheme of delegations is reviewed on a regular basis and the Monitoring Officer has the delegated power to ensure the Constitution reflects current law and the decisions of the Council.

So that elected Members and Officers have a shared understanding of their respective roles the Council has a Member/Officer Protocol. This is also included in the Constitution.

The Corporate Governance Committee undertake regular [self-assessment](#) effectiveness reviews to identify opportunities for improvement – both in the way the Committee is organised and delivers its terms of reference and to identify development needs. The last review was conducted in January 2017. The Committee also provides an [annual report](#) to the Council on its work, highlighting any governance or internal control concerns.

Principle 5: Developing the Council's capacity, including the capability of its leadership and the individuals within it

Regular training opportunities are offered to Elected Members in order to allow them to fulfil their roles and responsibilities. During 2017/18 over xx training events were organised.

The Council is an [equal opportunity](#) employer.

Each Head of Service monitors on an ongoing basis their staffing structures to ensure they are able to deliver Service Plan aims and objectives. When posts become vacant, automatic recruitment does not take place, rather Heads of Service have to justify why recruitment is essential to Senior Management Team colleagues prior to recruitment taking place.

In certain circumstances, rather than recruit directly into a vacant post, staff secondment opportunities will be offered. All the staff within the transformation team are currently on secondment from their substantive posts.

In October 2017 the Council took advantage of the apprenticeship levy scheme and employed its first apprentices. Whilst the levy is still new, it intends to examine further how it can be used to support, develop and skill its workforce.

So that employees are aware of how their work directly affects the delivery of both Corporate Plan and Service plan targets, a 'golden thread' has been established. This links individual employee performance and their delivery of the icare values to service plan targets, which in turn link back to the Corporate Plan. Managers hold regular 1:1 meetings with their staff at which performance, development/training and any other support they need to succeed in their role is discussed.

The Council has a formal staff appraisal process in place, at which performance against targets and demonstration of core competencies is formally monitored and recorded. The Managing Director is appraised by the Executive Leader.

The Managing Director and Corporate Directors hold regular meetings with Staff Council representatives as part of the consultation process with regard to terms and conditions of employment and the policies staff are subject to. An annual staff survey is issued to allow the Council to understand its staff's views on employment, cultural and leadership issues.

The Council has a range of [services](#) available to its staff, to assist them maintain physical and mental health and wellbeing.

Principle 6: Managing risks and performance through robust internal control and strong public financial management

We will manage risk by:

Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.

Ensuring that responsibilities for managing individual risks are clearly allocated.

Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.

We will manage performance by:

Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.

Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.

Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).

Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible.

Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.

We will have robust internal control by:

Aligning the risk management strategy and policies on internal control with achieving the objectives.

Evaluating and monitoring the authority's risk management and internal control on a regular basis.

Ensuring effective counter fraud and anti-corruption arrangements are in place.

Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.

Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body:

Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment.

That its recommendations are listened to and acted upon.

Principle 6: Managing risks and performance through robust internal control and strong public financial management

We will manage data by:

Ensuring effective arrangements are in place for the safe collection, storage, and use and sharing of data, including processes to safeguard personal data.

Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.

Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.

We will have strong public financial management

Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.

Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

Commentary: *The Council recognises that it needs to have in place an effective performance management system that will allow for the effective and efficient delivery of services. Crucial to the achievement of Corporate Plan outcomes are good systems of risk management, internal control and financial management and an effective scrutiny function that constructively challenges policy making.*

The Council first introduced a risk management strategy in 2003. It is reviewed annually by the Cabinet to ensure it meets the needs of the Council and is reflective of its approach to risk management. All Managers take account of the strategy when making decisions.

The Council maintains a risk register – both at a Corporate and Operational level.

All risk are owned by a manager who is responsible for providing assurance that the controls introduced to manage risk are working effectively. Risks that exceed their risk appetite target are subject to further review by the Senior Management Team with Cabinet being advised of those risks that can't be mitigated further within the resources available. The Cabinet formally consider the [corporate risk register](#) on an annual basis.

One of the risks on the risk register is concerned with the effectiveness of the safeguarding procedures that are in place across the Council. An internal audit review of the safeguarding process was undertaken during 2016/17. It concluded that the safeguarding procedures being followed were not as effective as they could be – there was an ad-hoc approach across Services to the assessment of safeguarding risks, piecemeal training and a lack of evidence that consistent checks on employees suitability for employment are carried out. Concerns are such that improving safeguarding arrangements was included in the 2016/17 annual governance statement as an improvement area. A work plan to address the concerns identified has been agreed and it is expected that all the actions identified will be completed by December 2018.

Performance information has to be relevant, objective and reliable if it is to be used to inform decision making. All Services have their own service plans and suite of performance measures that detail how they intend to enable delivery of the Corporate Plan. The most important measures are reported to Members on a quarterly basis.

Principle 6: Managing risks and performance through robust internal control and strong public financial management

Heads of Service are responsible for maintaining data quality templates that detail how the performance measures are calculated and re-performance checks are undertaken by internal audit to ensure performance data is being accurately reported.

The Council's performance management framework sets out the corporate and budget planning cycle. The Senior Management Team, Overview & Scrutiny and Cabinet receive monitoring reports at regular intervals that show the progress that has been made against the Corporate Plan targets and if necessary, the action to be taken to improve performance. At a service level, the Corporate Directors monitor the achievement of targets on a monthly basis and will agree appropriate actions with the relevant Head of Service if targets are not being met. To support the monthly review process service level reporting has also been introduced during 2017/18, allowing Heads of Service to provide commentary on significant matters arising within their service area.

As described at Principle 2, up until the Annual Council meeting held on 23 May 2018, the Council had three Overview & Scrutiny Panels – each of which is responsible for overseeing one of the three Corporate Plan objectives.

[Overview and Scrutiny Panel \(Communities and Environment\)](#)
[Overview and Scrutiny Panel \(Economy and Growth\)](#)
[Overview and Scrutiny Panel \(Performance and Customers\)](#)

The Council decided to replace these three Panels with the following two.

[Overview and Scrutiny Panel \(Customers and Partnerships\)](#)
[Overview and Scrutiny Panel \(Performance and Growth\)](#)

The terms of reference for each Panel are included in the Constitution.

Scrutiny applies to the setting of policy, objectives and budgets as well as service delivery and performance issues. Reports to the three Panels are introduced by the relevant Cabinet portfolio holder. The written comments of the Panels are considered and evaluated by the Cabinet before they make their formal decision and recommendation.

Reports showing the progress made with work plan studies and previously agreed actions is received by each Scrutiny Panel on a regular basis.

The Council has an [anti-fraud and corruption strategy](#) and a [whistleblowing](#) policy. The Corporate Fraud Team maintain an annual work plan which targets known and long standing areas of fraud but which also focuses on new work areas. In light of this, and coupled with other countermeasures in place, the Head of Customer Services decided in April 2017 that a review of the teams compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption was not required.

The Council maintains an Internal Audit Service. It is independent of management and free to audit whatever risks, systems or procedures it believes are necessary. The implementation of agreed internal audit actions is reported on a monthly basis to the Corporate Governance Committee and the Senior Management Team.

The Council has in place a range of data protection policies and procedures – including [records retention](#), data quality and information security. An Information Governance Board was established in April 2017 with the remit to support improvements to

Principle 6: Managing risks and performance through robust internal control and strong public financial management

information management, information security, and compliance with information rights legislation. Representatives from all Service departments attend Board meetings as does the Senior Information Risk Officer.

Personal data has been processed in accordance with the Data Protection Act 1998. A programme of work has been undertaken to manage the changes brought about by the introduction on 25 May 2018 of the General Data Protection Regulations. The programme has seen the introduction of a new privacy notice, all e-forms now bearing the appropriate privacy statement. The Council Information Governance Manager has been appointed to position of Data Protection Officer.

The Council is committed to sharing appropriate data safely with other agencies; where this improves effective and efficient service delivery, supports its objectives and the vision for the city and is compatible with the rights of individuals.

The Council shares information it holds with various organisations. All the Council's within Cambridgeshire are signatories to the Cambridgeshire Information Sharing Framework. The framework sets out the principles and practices that govern the sharing of both personal and non-personal information between the framework partners.

Data is published on the Council's website in accordance with the Local Government Transparency Code 2015.

The Responsible Financial Officer (the Head of Resources) is responsible for ensuring that proper financial records and accounts are being maintained and the Council has in place an effective system of internal financial control. A replacement financial management system is being purchased in conjunction with the Council's 3C partners. The system was to have been operational from April 2017 but for various reasons this date was not achieved. Further revised dates have been agreed and it is currently expected that the new system will 'go live' in June 2018. The failure to implement the new system is of concern and whilst budgeted resources are available to meet the June 2018 date, the continued delays are affecting the Council's ability to modernise its budgeting and forecasting processes. This issue was included in the 2016/17 annual governance statement as an improvement area.

Principle 7: Implementing good practices in transparency, reporting and audit to delivery effective accountability

We will implement good practices in transparency by:

Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.

Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.

We will implement good practices in reporting by:

Reporting at least annually on performance, value for money and the stewardship of its resources.

Ensuring that this Code is applied to jointly managed or shared service organisations as appropriate.

Ensuring members and senior management own the results.

Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.

Robustly assessing the extent to which the principles contained in this Code have been applied and publishing the results on this assessment including an action plan for improvement in an annual governance statement.

We will provide assurance and effective accountability by:

Ensuring that recommendations for corrective action made by external audit are acted upon.

Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.

Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.

Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.

Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

Commentary: *The Council recognises that effective accountability is concerned not only with reporting on actions completed but ensuring stakeholders are able to understand how the Council plans for and carries out its activities.*

Committee reports follow a standard template which is designed to ensure that key messages are explained in an open and understandable way and to reduce the risks of any breaches of legislation or reputational damage. Every effort is made to ensure that the publication of information strikes a balance between satisfying transparency demands and not becoming too onerous to understand. All Committee reports include an executive summary highlighting key messages and clear recommendations.

All Committee reports are reviewed by at least one member of the Senior Management Team before being published within Committee agenda papers.

Principle 7: Implementing good practices in transparency, reporting and audit to delivery effective accountability

The Council has a social media presence on both [Facebook](#) and [Twitter](#) and receives both compliments and complaints via these channels as well as using them to update followers of meetings and events etc.

The Council publishes an [annual report](#) on its website that sets out what it has achieved. Performance information reports have also been published on the [website](#) on a quarterly basis since March 2015. The reports show progress against the key actions and corporate indicators listed in the Corporate Plan as well as updates on current projects and financial performance

The Council has to conduct at least annually, a review of the effectiveness of its governance framework including its system of internal control and document the findings in an [Annual Governance Statement](#). In preparing that Statement, a review of the Council's adherence to the requirements of this Code is undertaken. Evidence relating to the Code principles is considered to assess the robustness of the governance arrangements. The Statement aims to explain in a simple and easily understandable way the matters that have been taken into account in considering overall effectiveness, any areas for improvement identified (and associated action plans) and provides an update on the progress made with [improvement areas](#) contained in the previous year's Statement.

The annual [financial report](#) and statement of accounts is published on the website once it has been audited by the external auditors, Ernest & Young LLP and approved by the Corporate Governance Committee. The external auditors also present a report to the Committee that sets out their findings and any recommendations for improvement arising from their audit of the annual report and statement of accounts. The Head of Resources reports back to the Committee on the action taken to address the external auditors recommendations.

The external auditors also review the Annual Governance Statement before it is presented to the Corporate Governance Committee.

The Council has approved a [governance structure](#) for the 3C shared service initiative. It has established a Joint Committee, to which the Executive Leader of the Council has been appointed.

The Internal Audit Service was subject to an external assessment in 2014. The Internal Audit Manager has used the Public Sector Internal Audit Standards as the basis of annual self-assessments since then, with the results of the assessments being reported to the Corporate Governance Committee. An annual internal audit report and opinion is presented to the Committee. The report contains details of significant issues that have been identified from internal audit work.

The Council welcomes peer challenge and inspections from regulatory bodies. A peer review challenge was conducted by the Local Government Association in 2016. The review team in considering how the Council was meeting the challenges of community leadership, organisational leadership and governance and financial planning and viability found many areas of strength. The team made 12 recommendations to further improve performance which were developed into a 31 point [action plan](#). As at July 2017, all but three of the 31 actions have been introduced. The peer review team's [full report](#) is available on the website.

Key Documents

Principle	1	2	3	4	5	6	7
Key documents							
Constitution:	✓	✓				✓	
Code of Financial Management	✓					✓	
Code of Procurement	✓		✓			✓	
<u>Member Code of Conduct</u>	✓						
Scheme of delegation					✓		✓
Executive Leader/Managing Director Protocol	✓				✓		
Member/Officer Protocol	✓				✓		
Statutory Officer roles	✓				✓		
Strategies & Policies:							
<u>Risk Management Strategy</u>			✓	✓		✓	
<u>Customer Complaints</u>	✓	✓					
Procurement toolkit				✓			
Business continuity plans						✓	
<u>Anti-fraud & corruption policy</u>	✓					✓	
<u>Whistleblowing policy</u>	✓					✓	
ICT policies	✓					✓	
<u>Social media</u>		✓					✓
Information sharing						✓	
<u>Consultation & Engagement Strategy</u>		✓	✓	✓			
<u>Consultation process</u>		✓	✓				
<u>Equality of Opportunity</u>					✓		
<u>Document retention and management</u>						✓	
Modern.gov :							
Committee meeting information	✓	✓					
Committee reports		✓	✓	✓			
Corporate Governance Committee	✓				✓	✓	✓
Overview & Scrutiny Panels		✓				✓	✓
Staff:							
Workforce strategy					✓		
Job evaluation	✓						
HR policies	✓				✓		
Employee Code of Conduct	✓						
Staff appraisal system					✓		
Staff surveys					✓		
Members:							
Member development	✓				✓		
Member induction	✓				✓		
Performance:							
<u>Corporate Plan</u>		✓	✓			✓	
Service plans		✓	✓			✓	
<u>Annual report</u>		✓					✓
<u>Performance management framework</u>			✓	✓		✓	✓
<u>www.huntingdonshire.gov.uk</u>		✓					✓
Reporting on complaints							✓
Risk registers			✓	✓		✓	

Key Documents

Principle	1	2	3	4	5	6	7
Key documents							
Financial: Budget consultation			✓				
4 year efficiency plan		✓	✓	✓	✓		
Annual Statement of Accounts		✓					✓
Budget & Medium Term Financial Strategy			✓	✓		✓	
Treasury Management Strategy			✓			✓	
Commercial Investment Strategy			✓			✓	
CIPFA Statement on the role of the CFO	✓						
Regulation: Publication scheme		✓					✓
Freedom of Info/Environmental Information		✓					
Open data		✓				✓	✓
Data Protection	✓						
Assurance: Peer challenge /external inspections					✓		✓
External audit of accounts & value for money opinion							✓
Annual Governance Statement		✓					✓
Internal audit – annual opinion						✓	✓

Principle

- 1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- 2 Ensuring openness and comprehensive stakeholder engagement.
- 3 Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- 4 Determining the interventions necessary to optimise the achievement of the intended outcomes.
- 5 Developing the Council's capacity, including the capability of its leadership and the individuals within it.
- 6 Managing risks and performance through robust internal control and strong public financial management.
- 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Whistleblowing Policy, Guidance and Concerns Received
Meeting/Date: Corporate Governance Committee – 13 June 2018
Executive Portfolio: Strategic Resources: Councillor J A Gray
Report by: Internal Audit & Risk Manager
Wards affected: All Wards

Executive Summary

The purpose of whistleblowing law is to protect individuals who make disclosures of wrongdoings in the public interest without fear of reprisals from their employer.

It is recommended that no changes are made to either the whistleblowing policy or guidance. In line with previous Committee recommendations the Managing Director has approved a change to the Policy to allow for the reporting of the outcome of this review to be included in the Local Code of Corporate Governance, rather than the Annual Governance Statement.

Only Council employees, contractors or suppliers providing services under a contract to the Council are classified by law as whistleblowers. No allegations has been received during 2017/18 that fulfilled this criteria.

Members of the public have continued to use the whistleblowing channels available to raise matters of concern and six separate allegations have been received during 2017/18.

There are no financial or legal implications arising from this report.

Recommendations:

It is recommended that the Committee:

1. Consider the results of the annual review of the whistleblowing policy.
2. Approve the whistleblowing policy and guidance.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 This report deals with the review of the whistleblowing policy and guidance and contains details of the total number of whistleblowing allegations received during the year ending March 2018.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The whistleblowing policy and guidance notes were both introduced in 2000 in response to the Public Interest Disclosure Act 1998 (PIDA). Both documents are reviewed annually to ensure they continue to be fit for purpose.

3. ANALYSIS

Policy and Guidance review

- 3.1 After undertaking the whistleblowing policy and guidance review in June 2016, Committee recommended that minor changes to the policy and guidance that do not affect the overall approach taken to whistleblowing can be approved by the Managing Director. One such change has been made. The policy used to state that the annual governance statement (AGS) would contain details of the results of the annual whistleblowing review. That statement has been replaced by one that requires the Local Code of Corporate Governance to include details of the annual review. As the AGS no longer needs to include within it all the supporting governance processes, the Managing Director feels it is appropriate for details of the review to be included in the Local Code.
- 3.2 Whilst there have been no significant legislative or legal decisions in the past year that require the policy or guidance to be amended, a privacy statement has been added to the on-line whistleblowing form to meet the general data protection regulations.

Whistleblowing concerns received

- 3.3 There are a number of channels available for a whistleblower to raise their concerns. These include an internet form, a specific email address and a dedicated 24 hour telephone.
- 3.4 No whistleblowing allegations (as per the definition in the policy) have been received in 2017/18 (one allegation was received in 2016/17).
- 3.5 Six allegations were received from members of the public. All were passed to the relevant service for action.

4. KEY IMPACTS

- 4.1 The Council is not required by statute to have a whistleblowing policy in place although it is considered to be best practice.
- 4.2 It is important that employees and contractors have the ability to report, in confidence, issues of concern to the Council. The whistleblowing policy sets out the framework in which this can be done and importantly, sets out the protection that will be afforded to a whistleblower. Dealing effectively with a whistleblowing allegation is important to protect the Council from potentially significant reputation, commercial and financial risks.

- 4.3 Not having a reporting mechanism in place, may lead people to report matters outside of the Council with consequential impacts upon the reputation of the Council. The Managing Director is of the opinion that the current policy, guidance and publicity material gives employees and others the opportunity to raise matters through the whistleblowing channels available.

5. WHAT ACTIONS WILL BE TAKEN

- 5.1 The policy and guidance note is already publicised to employees via the Council's usual communication channels (team briefings, intranet and posters).

6. LINK TO THE CORPORATE PLAN

- 6.1 The whistleblowing policy ensures that employees and contractors are able to raise concerns in the knowledge that they will be taken seriously, investigated appropriately and confidences maintained. Adoption of a policy helps to support good standards of governance. Good governance underpins the delivery of all of the Corporate Plan objectives.

7. REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 The policy requires an annual report be presented to the Committee. After reviewing the policy and guidance no changes to either document are required.

BACKGROUND PAPERS

Whistleblowing Policy
Whistleblowing Guidance

CONTACT OFFICER

David Harwood. Internal Audit & Risk Manager
Tel No. 01480 388115
david.harwood@huntingdonshire.gov.uk

Huntingdonshire District Council Whistleblowing Policy

Huntingdonshire District Council recognises that those that it employs and provides services to are often in the best position to know when the interests of the public are being put at risk. They can act as an early warning system on matters of health and safety or help to uncover fraud and mismanagement.

The Council also recognises that these people may not wish to express their concerns for a number of reasons. They may think it is disloyal to do so or they may fear reprisals, or they may not expect any action to be taken, or they may not know the best way to proceed. They may therefore find it easier to ignore their own concerns, or to “blow the whistle” to someone outside the Council.

The Council wants to build an environment of trust and openness so that individuals are prepared to whistle blow knowing that their concern will be treated confidentially and investigated appropriately.

This Policy has been prepared in response to the Public Interest Disclosure Act 1998 and other legislation¹ and the Code of Practice issued by Public Concern at Work². It was adopted by the Corporate Governance Committee on behalf of the Council on 13 June 2018.

SCOPE OF THE POLICY

This policy applies to all Council employees and those contractors working for the Council on its premises. It also covers suppliers and those providing services under a contract with the Council in their own premises.

The term ‘individual’ is used throughout this policy and includes all of the above.

POLICY STATEMENT

The Council is committed to the highest possible standards of openness, probity and accountability and to dealing with all fraud and other forms of malpractice reported.

Any individual with serious concerns about any aspect of the Council’s work shall be encouraged to come forward and voice those concerns without fear of victimisation, subsequent discrimination or disadvantage or dismissal. Concerns may relate to issues that are occurring now, took place in the past, or are likely to happen in the future.

All concerns received will be treated in confidence, examined and investigated in accordance with this policy.

¹ Enterprise and Regulatory Reform Act 2013

² Public Concern at Work is a charity. It is the leading independent supporter of whistleblowers and a provider of best practice guidance and advice

PROTECTED DISCLOSURE

Any individual who raises a concern shall be treated as though they are making a protected disclosure if they disclose any information which they reasonably believe is made in the public interest and relates to any of the areas listed below:

- fraud and corruption
- any customers that we deal with, particularly children, being mistreated or abused
- an unlawful act
- the health and safety of any individual has been, or is likely to be endangered
- damage to the environment
- discrimination of any kind; or the
- deliberate concealment or suppression of any information that falls into any of the areas above.

This list is not exhaustive.

Individuals who make a protected disclosure will be protected from victimisation, subsequent discrimination or disadvantage or dismissal.

CONCERNS NOT COVERED BY THE POLICY

The Council wants all serious or sensitive concerns to be raised. This policy is not intended to replace existing policies or procedures.

- Individuals who have a concern about their own personal circumstances or how they are being treated at work should first raise their concerns informally with their line manager who will attempt to resolve the concern³. If that is not possible then the grievance or dignity at work policy should be followed.
- Members of the public who wish to raise a concern should use the complaints procedure.
- If the concern refers to the misconduct of a Councillor, the procedure set out in the Member Code of Conduct should be followed.

If an individual raises a protected disclosure concern under the wrong policy or procedure, it will be treated as though it was made correctly.

³ Certain types of personal circumstance concerns may still be classed as protected disclosures if the public interest test is satisfied. Please contact the Internal Audit & Risk Manager for more information.

IMPLEMENTING THE POLICY

The Council shall take appropriate action to publicise the policy so that all individuals:

- feel confident that they are able to contact the Council and raise their concerns about Council practices
- realise that concerns should be raised about any individual, councillor, supplier or anyone who provides services to the public on the Council's behalf
- are aware of the different ways they can inform the Council of their concerns
- understand that concerns will be received in good faith and taken seriously
- are aware that anonymous concerns may not be investigated
- who have provided their contact details understand that they will receive a response to their concerns and how to take the matter further if they are dissatisfied with the response
- are reassured that they will be protected from victimisation, subsequent discrimination or disadvantage.

A guidance note shall be made available setting out the actions that will normally be taken when a concern is received.

RAISING A CONCERN

The Council will maintain a number of different channels that allow concerns to be raised. Full details are contained in the guidance note.

The Council will encourage individuals to raise their concerns openly and reserves the right not to investigate anonymous concerns.

INVESTIGATING OFFICER

All concerns received under this policy shall be reported immediately to the Internal Audit & Risk Manager who will be responsible for reviewing the concern, deciding upon the action to take, leading and directing investigations, preparing any subsequent reports and liaising with the individual raising the concern.

UNTRUE CONCERNS

No action will be taken against any individual who raises a concern that they have reason to believe to be true.

If during the course of an investigation it is felt that the concern has been raised frivolously, maliciously or for personal gain, appropriate disciplinary action will be taken.

SAFEGUARDS

The Council will not dismiss or subject any individual to detriment of any kind, due to them making a 'protected disclosure'.

The identity of the individual raising the concern will remain confidential. If disclosure is required for any reason then this will be discussed with the individual concerned.

The Council will not tolerate the harassment or victimisation (including informal pressures) of any individual who has raised a concern.

The Council's disciplinary procedures will be used against anybody who is found to be harassing or victimising the individual raising the concern or who has disclosed the name of that individual to anybody other than the Council's Managing Director, the Corporate Director (Services) or the Internal Audit & Risk Manager.

WHISTLEBLOWING EXTERNALLY

Whilst the Council would like all concerns to be raised with it initially, it recognises that the Public Interest Disclosure Act 1998 allows for concerns to be made to "prescribed persons". The guidance note will provide information on how an individual can whistle-blow to a prescribed person.

MONITORING AND REVIEW

The Corporate Director (Services) will be responsible for monitoring the implementation and effectiveness of this policy and guidance note. This will include an annual review, and an annual report to the Corporate Management Team and the Corporate Governance Committee on the effectiveness of the arrangements that have been introduced. The Local Code of Corporate Governance shall contain details of the outcome of the annual review and the effectiveness of the whistleblowing arrangements.

End.

Huntingdonshire District Council Guidance Note for Whistleblowers

This guidance has been prepared to accompany the Whistleblowing Policy. It explains how the Council will deal with whistleblowing concerns that it receives.

We realise that for some individuals it will take a great deal of courage to raise a concern. If you honestly and reasonably believe what you are saying is true, you will have nothing to fear by telling us your concern. We would much rather be told about a concern and investigate it, even if the investigation shows your concern was unfounded, than not know about the matter in the first place.

Your concern will be treated in confidence. We will not tolerate the victimisation of anyone who reports an issue to us. Without exception, we will take disciplinary action against anyone who victimises any individual.

Concerns received may require different responses. This guidance is intended to provide you with an idea of the steps we will generally follow when a concern is received.

WHAT YOU NEED TO TELL US

If you have a concern then please raise it with us openly rather than anonymously. Openness makes it easier for us to assess the issue, work out how to investigate the matter and if required, obtain more information. It is best if your concern is raised in writing and that you provide your name and some contact information. An email address or telephone number would be sufficient.

You need to tell us as much as you can about your concern. Please try and provide some background information and all the names, dates and places that are relevant. If you have any documentary evidence to support your concern that should be also be provided. The more information you are able to provide the easier it will be for us to investigate your concern.

If you are uneasy about putting your concern in writing then contact us using one of the methods below and ask for a meeting. This doesn't have to be at the Council's offices. If you wish you can bring other people to the meeting if that will reassure you (e.g. legal representative, colleague, Staff Council or Union representative).

HOW TO CONTACT US

There are a number of ways in which you can raise a concern.

You can:

- speak to your line manager, a member of the Internal Audit team, a Head of Service or the Corporate Director (Services).
- complete the [online form](#)
- send an email to whistleblower@huntingdonshire.gov.uk
- leave a message on the 24 hour telephone hotline: [01480 387080](tel:01480387080).
- write a letter, clearly marking the envelope Strictly Private & Confidential to:

Internal Audit & Risk Manager
Huntingdonshire District Council
Pathfinder House
St Mary's Street
Huntingdon
PE29 3TN

WHO WILL INVESTIGATE YOUR CONCERN?

All concerns received are passed to the Internal Audit & Risk Manager. They are the only person who can see what has been written on the electronic forms or in emails. They are also the only person who can access messages left on the telephone hotline. Post that is marked 'strictly private and confidential' will be passed unopened to them.

The Internal Audit & Risk Manager will use their discretion when deciding if an anonymous concern is to be investigated, taking the following factors into account:

- The seriousness of the issue raised
- The amount of information provided to support of the concern
- Whether the individual may be required to provide further information
- The ability to trace the individual if the concern is considered malicious.

WHAT WE WILL DO

Once we have received your concern the Internal Audit & Risk Manager will initially assess the information you have provided and consider what action should be taken.

If the concern is valid but should not be classed as a protected disclosure (e.g. bullying) within the terms of the whistleblowing policy, they will contact you and ask

whether you want the information to be passed to the appropriate manager for further action. You will also be asked if you wish your name to be disclosed or not.

Depending on the outcome of the initial assessment it may be that your concern is valid but that we have insufficient information to continue with the investigation. If this happens we will try and obtain further information to allow us to continue with the investigation. If this is not possible and no other option is available to us, we may request you to gather additional information on our behalf. You are under no obligation to do this however.

Once we have validated your concern and have sufficient information to continue, your concern will be investigated.

All meetings, decisions and actions taken in dealing with the concern will be recorded in writing.

LETTING YOU KNOW WHAT WE'RE DOING

If you have provided contact information we will contact you within 10 working days, summarising your concern and telling you:

- whether an investigation will take place and if not, why not;
- who will be handling the matter and how you can contact them;
- how long we estimate the investigation will take;
- whether your further assistance may be needed; and
- providing you with information on the support that is available to you; and

When the investigation has been completed we will contact you again and provide you with as much detail about the investigation as we are able to. It may be that we aren't able to tell you the precise action we have taken, as this may infringe a duty of confidence owed by us to someone else.

WHAT IF YOU ARE UNHAPPY WITH OUR RESPONSE

If:

- you believe that we have not properly investigated your concern; or
- you are unhappy with the outcome of any investigation

you should contact the Council's Managing Director or Corporate Director (Services). They will decide if any further action is to be taken.

WHO TO REPORT TO EXTERNALLY

If you

- remain unhappy with the decision reached by the Council's Managing Director or Corporate Director (Services); or
- sincerely believe that by raising your concern with us you will be subject to detriment (victimisation or reprisals) of whatever sort, or that evidence to support your concern will be destroyed, then you should raise the matter with an external organisation, known as a "prescribed person".

The Government has issued a [list of prescribed persons](#) who you can make a disclosure to.

If you wish to report externally, but are unsure of what to do then please contact either the Internal Audit & Risk Manager or the Corporate Director (Services). They will be able to advise you on what you need to do, without asking for details of your concern.

Alternatively you can contact the **Council's external auditors, Ernst & Young on [01223 394 400](tel:01223394400)**.

When raising a concern externally remember to make it clear that you are raising the issue as a whistleblower.

MAINTAINING CONFIDENTIALITY

We will do our utmost to protect your identity. If it has to be disclosed to allow us to undertake disciplinary or other more serious action against any wrongdoer, then we will discuss this with you. In some circumstances, especially if the Police are involved, we may be legally obliged to disclose your identity without your consent. Again, we will discuss this with you.

If you feel that you have suffered detriment or been in any way disadvantaged because you have raised a concern then you must let us know. We will take action to protect you as long as we believe that your concern was raised in the public interest and that you have not intentionally provided us with false information.

FURTHER INFORMATION AND ADVICE

If you want further information or advice about whistleblowing then please contact either:

David Harwood, Internal Audit & Risk Manager
or
Oliver Morley, Corporate Director (Services)

 [01480 388115](tel:01480388115)

 [01480 388103](tel:01480388103)

End.

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**Public
Key Decision – No**

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Service: Annual Report 2017/18
Meeting/Date: Corporate Governance Committee – 13 June 2018
Executive Portfolio: Strategic Resources: Councillor J A Gray
Report by: Internal Audit & Risk Manager
Wards affected: All Wards

Executive Summary:

The Public Sector Internal Audit Standards (PSIAS) requires the Committee to receive an annual report on the work of the Internal Audit Service. The report is required to include:

- The opinion
- A summary of the work that supports the opinion; and
- A statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.

This report details the work undertaken by Internal Audit during the year ending 31 March 2018 to support the following opinion statement.

Audit Opinion

Based upon work undertaken and statements from external assurance providers, it is my opinion that the Council's internal control environment and systems of internal control as at 31 March 2018 provide adequate assurance over key business processes and financial systems.

David Harwood
Internal Audit & Risk Manager

May 2018

The assurance opinion is at the same level as last year. The opinion is based on the outcome of 27 audit reviews and the review of key controls within five financial systems. No evidence was found of significant lapses in the internal control framework and the Internal Audit & Risk Manager considers that managers have responded positively to the issues identified.

The Committee agreed a new framework in May 2017 for the granting of extensions of time against audit actions that Managers had not introduced by the agreed date. This change in process has seen an increase in the percentage of agreed actions introduced on time, from 31% at March 2017 to 79% at 31 March 2018.

The Internal Audit & Risk Manager (IARM) continues to report functionally to the Corporate Governance Committee and maintains organisational independence. He

has had no constraints placed upon him in respect of determining overall audit coverage, audit methodology, the delivery of the audit plan or proposing actions for improvement or forming opinions on individual audit reports issued.

Quality Assurance and Improvement Programme

One of the major elements of the PSIAS is the requirement to maintain a quality assessment and improvement programme. This has been in place throughout the year. A self-assessment review was undertaken in May 2018 to evaluate Internal Audit's conformance with the PSIAS. An action plan is being prepared to address areas of non-conformance and will be reported to a future meeting of the Committee.

RECOMMENDATION

It is recommended that the Committee:

1. Consider and comment upon the report; and
2. Take into account the Internal Audit & Risk Manager's opinion when considering the Annual Governance Statement for 2017/18.

1. PURPOSE OF THE REPORT

- 1.1 This is the annual report of the Internal Audit & Risk Manager (IARM). It covers the period 1 April 2017 to 31 March 2018.
- 1.2 The report includes the IARM annual opinion on the overall adequacy and effectiveness of the Council's internal control and governance processes.

2. WHY IS THIS REPORT NECESSARY

- 2.1 The Accounts and Audit (England) Regulations 2015 require the Council to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 2.2 The Public Sector Internal Audit Standards (PSIAS) require an annual report to be considered by the Committee as they fulfil the role of the Board (as defined by PSIAS). The PSIAS details the matters that are required to be included in the annual report. These are:
- a) The opinion
 - b) A summary of the work that supports the opinion; and
 - c) A statement on conformance with the PSIAS and the results of the quality assurance and improvement programme.

3. ANALYSIS

Annual audit report

- 3.1 The overall opinion of adequate assurance is unchanged from last year. The internal control environment is generally effective.
- 3.2 There have been two substantial assurance, 16 adequate assurance and 10 limited assurance reports issued in 2017/18. As a consequence of subsequent actions or wider risk mitigation considerations there are no areas of concern within those reviews that require to be brought to the attention of the Committee.

Quality Assessment & Improvement Programme (QAIP)

- 3.3 The IARM has maintained a QAIP throughout the year in accordance with the PSIAS. In May 2018 an auditor completed a self-assessment to evaluate Internal Audit's conformance with the PSIAS.
- 3.4 The self-assessment review did not identify any areas of significant non-conformance and there are no issues that need to be brought to the attention of Committee or require inclusion in the Annual Governance Statement.
- 3.5 Improvements can always be made. The main issues identified are:
- Auditor training on PSIAS changes introduced from April 2017
 - On-going assessment and identification of auditor training and development needs
 - Full review of the audit manual to reflect a number of initiatives introduced over the last two years (output from LEAN review of Jan 2017, changes to the QAIP, revised follow-up process).

4. KEY IMPACTS

- 4.1 Failure to provide an annual report would lead to non-compliance with the PSIAS and require the matter to be reported in the Annual Governance Statement. This would not reflect well upon the Council's overall governance arrangements.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 5.1 The annual report will be considered by the Committee during the preparation of the Annual Governance Statement.

6. LINK TO THE CORPORATE PLAN

- 6.1 The Internal Audit Service provides assurance to management and the Committee that risks to the delivery of the Corporate Plan across all of its areas are understood and managed appropriately.

7. RESOURCE IMPLICATIONS

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

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 In fulfilling its obligations under the PSAS, the Committee is required to receive an annual report on the work of the Internal Audit Service. The outcomes of the report, particularly the annual opinion statement, will be included within the Council's annual governance statement.

9. LIST OF APPENDICES INCLUDED

Appendix 1 - Internal Audit Service annual report 2017/18.

BACKGROUND PAPERS

Internal Audit Reports
Internal Audit performance management information
PSIAS self-assessment

CONTACT OFFICER

David Harwood, Internal Audit & Risk Manager
Telephone: 01480 388115
Email: david.harwood@huntingdonshire.gov.uk

Internal Audit Service Annual Report 2017/18

1. INTRODUCTION

1.1 This is the annual report of the Internal Audit & Risk Manager (IARM) as required by the Public Sector Internal Audit Standards (PSIAS). It covers the period 1 April 2017 to 31 March 2018.

1.2 The report includes the IARM's annual opinion on the overall adequacy and effectiveness of the Council's internal control and governance processes.

The opinion is based upon

- the work carried out by Internal Audit during the year; and
- the assurances provided by independent external sources.

1.3 The report provides information on:

- the delivery of the annual audit plan;
- audit reports issued and issues of concern;
- implementation of agreed actions;
- Internal Audit's performance; and
- the quality assessment and improvement programme.

2. OVERALL OPINION

Audit Opinion

Based upon work undertaken and statements from external assurance providers, it is my opinion that the Council's internal control environment and systems of internal control as at 31 March 2018 provide adequate assurance over key business processes and financial systems.

David Harwood
Internal Audit & Risk Manager

May 2018

2.1 Assurance can never be absolute. The audit opinion reflects the IARM view on the current state of the internal control environment and the effectiveness of the systems of internal control across the Council and provides the Committee with an opinion for inclusion in the Annual Governance Statement (AGS).

If significant changes occur to the internal control environment prior to the Committee approving the AGS the Committee will be informed.

2.2 In preparing the internal audit plan for 2017/18, Managers were asked if they were aware of any planned reviews by external organisations from which assurance could be obtained on the operation of the internal control environment and systems of internal control. With the exception of the statutory external audit of accounts/grant certification no other external assurances were identified for 2017/18. However during the year it was noted that the Government Internal Audit Agency undertook a review of the processes followed in Operations for requesting, handling and storing vehicle owner information from the DVLA regarding. Full details of external reviews

that have been relied upon when forming the audit opinion are included in Annex B.

- 2.3 The IARM continues to report functionally to the Corporate Governance Committee and maintains organisational independence. He has had no constraints placed upon him in respect of determining overall audit coverage, audit methodology, the delivery of the audit plan or proposing actions for improvement or forming opinions on individual audit reports issued.

3. DELIVERY OF THE 2017/18 AUDIT PLAN

- 3.1 Committee approved the 2017/18 internal audit plan (consisting of 30 reviews) at its March 2017 meeting. 24 of the originally planned audits have been completed.

- 3.2 The full audit plan was not delivered due to there being a net loss of 54 audit days across the year. The table below summaries both the additional unplanned time and time savings made to offset the time lost.

- 3.3 The main areas of unplanned time are listed below:

	Days
Increase in sickness	22
Insurance administration	19
Additional management/admin time	17
Assisting 3C ICT with GDPR preparations	16
Additional staff training time	13
Corporate Governance Committee support & AGS	8
4Action – audit action performance reporting	8
	103
Time recovered via reduction in:	
File reviews, quote opening, follow-up work	21
General advice	14
Data interrogation (<i>postponed until 2018/19</i>)	10
LEAN implementation	4
	49
Net days lost:	54

- 3.4 The audit plan is re-evaluated on a quarterly basis and across the year these reviews led to six of the originally planned audits being deleted from the plan with three new areas introduced. A full list of the audits undertaken can be found at Annex A.

Internal Audit Reports Issued

- 3.5 Audit reports issued are listed in the table overleaf - grouped by assurance opinion (see Annex C for further explanation) and showing action type and number of actions.

Audit area		Action type & No.	
		Red	Amber
Substantial			
	Assets of community value		2
	Housing benefits		1
Adequate			
	Apprenticeship levy & scheme		8
	Social media use *		8
	Hornbill – 3CITSS service desk application		6
	Health & safety management *		6
	Payroll		5
	IT project management		5
	Countryside services		4
	Community infrastructure levy		4
	Client management of shared services		3
	Appointment of consultants and PAYE status *		3
	Grounds maintenance & street cleaning *		3
	Environmental health *		2
	Contract review: Re:Fit *		2
	: Civic Suite audio system *		1
	IT network security: anti-virus & malware		1
	IT governance	---	---
Limited			
	One Leisure – Bars & catering	3	3
	Maintenance of operational property	2	2
	Refuse & kerbside waste collection *	1	6
	Commercial estate management *		15
	One Leisure – membership and income		10
	Value for Money - Procurement *		8
	Employee probationary period management		5
	IT Network Security:		
	~ Intrusion detection	1	3
	~ Patch & vulnerability management		4
	~ Firewall management		2
No opinion given			
	Data protection & General Data Protection Regulations (GDPR) compliance		4

* Draft reports (status as at 18/05/2018).

3.6 In addition to the reports listed above, reviews have also been completed on the following areas.

- Section 106 agreements
- Business continuity planning
- National fraud initiative data matching: review of potential frauds or irregularities.

These three reviews resulted in no overall assurance opinions being given due to either limited testing being undertaken or the audits changing focus and

becoming more advice orientated. Suggested improvements to controls were made as appropriate.

3.7 Auditor colleagues from Peterborough City Council (PCC) at the request of the Cambridgeshire and Peterborough Waste Partnership (RECAP) have led a review of the materials recycling facility contract operated by Amey LG. The review included examining the material flows into and out of the Waterbeach recycling facility and the calculation of income share between Amey and the six Cambridgeshire Council's (incl. Huntingdonshire) who are party to the contract. The audit is still at the draft stage. A significant number of issues were found and detailed recommendations have been made. The IARM will provide an update to the Committee on the findings once PCC have concluded their review and a final audit report agreed.

3.8 The continuous auditing of key controls across key financial systems has continued to be undertaken. Due to delays with introducing the new main financial system, the quarterly reviews planned for the main accounting system, accounts payable and receivable were not undertaken for the 2017/18 Qtr.2 or Qtr.3 periods.

3.9 The Qtr. 4 reviews have been completed and the assurance opinions are set out in the table below.

Audit area	Level of assurance				Action type & No.	
	Substantial	Adequate	Limited	Little	Red	Amber
Council tax & non-domestic rates		✓			---	---
Accounts payable (Creditors)		✓			---	---
Main accounting system		✓			---	---
Accounts receivable (Debtors)		✓			---	---

3.10 Full copies of closed internal audit reports have been circulated to Committee Members on a quarterly basis. (If any new members of the Committee would like a copy of the audit reports listed in the table at 3.5 above, please contact the IARM directly). No evidence was found of significant lapses in the internal control framework and the IARM considers that managers have responded positively to the issues identified.

Other review areas

3.11 Internal Audit have also undertaken work in a number of other areas. These include:

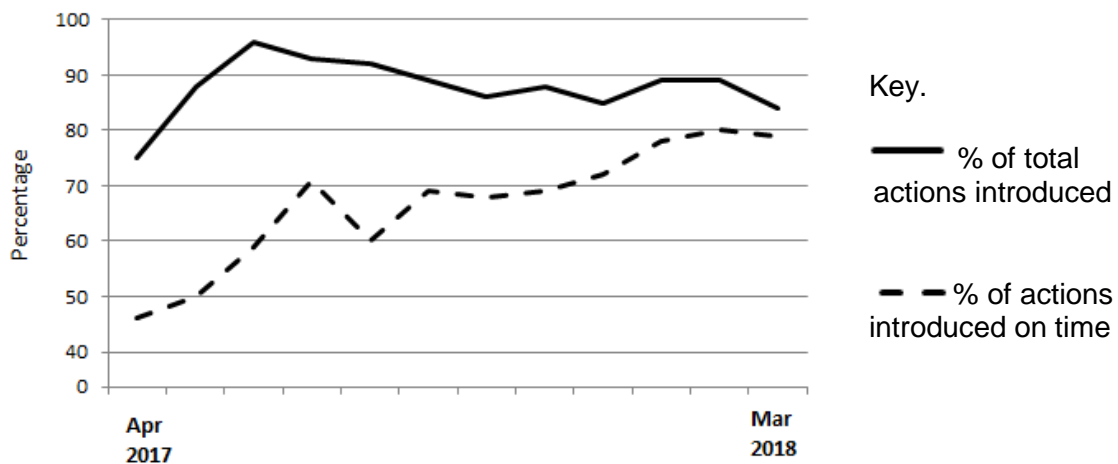
- Reviewing the newly introduced online disclosure and barring service process.
- Investigating missing cheques received by the Document Centre.
- Assisting 3C ICT with information asset identification in preparation for the introduction of the GDPR In May 2018.
- Providing guidance on newly introduced Public Health Funeral procedures.

- Preparing the Code of Corporate Governance and 2016/17 annual governance statement.
- Agreeing the contractors final account for the redevelopment of One Leisure St Ives.

Guidance has also been provided to managers and staff on an ad-hoc basis on a wide variety of risk and control issues.

4. IMPLEMENTATION OF AGREED ACTIONS

4.1 The Corporate Management Team has set a target of 100% of agreed actions to be implemented on time, based on a rolling 12 month timeframe. As at the 31 March 2018 the figure achieved was 79% (96 actions from a total of 122). This increases to 84% (103 actions from a total of 122) when actions implemented on time and late are combined.



4.2 Not all of the introduced actions are routinely followed up. The IARM decides if a follow-up review is required after considering the actions classification, the action itself, the evidence provided by a manager to support the closure of the action and his own knowledge of the action taken.

4.3 A total of 24 follow-up reviews have been completed on actions marked as having been fully introduced in the audit actions software (4Audit). It is pleasing to report that all have been introduced as agreed. In addition, Managers have uploaded evidence to 4Action on a further 26 occasions to show what steps they have taken to introduce an agreed action. This evidence has been reviewed by the IARM who was content that action had been introduced as agreed.

5. LOW GRADED AUDITS FROM PREVIOUS YEARS

5.1 Three audit reviews had been given 'limited' assurance opinions in previous years. They are listed below together with a summary of the progress made towards implementation of the agreed actions.

5.2 A revised assurance opinion, based upon the action that has been taken by the Manager and evidence from the follow-up work that has been completed is included in the table. The revised opinion is only a guide to the potential

improvement that would be expected if the audit was repeated and all other system controls remained effective.

Original assurance level	Agreed Action		Audit area	'Potential' level of assurance	Managers update
Red Amber					
2014-15					
Limited	1	1	E-payments The red action remains outstanding. It was reported to Committee in January 2018 that introducing the action - requiring the Council to become compliant with the Payment Card Industry (PCI) Data Security Standard (DSS) was to become a specific project, overseen by the Project Management Governance Board. PCI-DSS compliance has not yet been achieved.	Limited	An external expert has reviewed all payment channels across the 3C partnership. A number of operational issues need to be resolved. Two technologies need replacing (1) terminals for chip/pin and (2) secure arrangements for card-not present transactions. The former are being replaced within service operational budgets. (2) is cost prohibitive and will be submitted as a capital bid for 2019 financial year. We will not be fully compliant until the card not present channel is certified or this payment channel is removed.
2015-16					
Limited	2	1	Licencing The red action outstanding - the need to recalculate fees and charges for hackney carriage licences – has been completed.	Limited	No update required.

Original assurance level	Agreed Action	Audit area	'Potential' level of assurance	Managers update
Red Amber				
Limited	10	Information Security Seven actions have been introduced. Two of the three outstanding actions relate to staff training (e.g. protective marking of emails, remote working and use of portable devices). Both of the actions were due to be introduced by December 2017. The remaining action has been superseded by the recent introduction of new corporate mobile devices.	Adequate	The two remaining actions have been incorporated into data protection policies and wider training material as part of the approach with GDPR. Training is currently being roll out to staff, the policy around these items has been updated and approved.
Limited	4	Data quality & performance indicators All actions have been introduced.	Adequate	No update required.
Limited	4	Delivery of corporate & service plans All actions have been introduced.	Adequate	No update required
2016-17				
Limited	3	Work life balance/Flexi-time management All actions have been introduced.	Adequate	No update required
Limited	3	Effectiveness of Governance Boards All actions have been introduced	Adequate	No update required
Limited	2	Business Application Security All actions have been introduced.	Adequate	No update required
Limited	2	Cyber security One red and two amber actions have been introduced. The two remaining actions have been superseded by actions agreed following the network security audits.	Limited	An information asset register was prepared as part of our approach to GDPR. Evidence simply needs to be recorded to close out this action.

Original assurance level	Agreed Action	Audit area	'Potential' level of assurance	Managers update
Red Amber				
Limited	1	<p>Safeguarding</p> <p>The action has an implementation date of December 2018. A Safeguarding Governance Board has been established and is meeting monthly to oversee and progress the 14 actions detailed in the Safeguarding internal audit report. This area will be subject to further follow-up review during 2017/18.</p>	Limited	The safeguarding policy has been reviewed and a combined Children and Adult at Risk policy introduced. Staff training and awareness raising is due to take place over the next couple of months.
Limited	1	<p>Management of complaints</p> <p>The agreed action (i.e. the processes for dealing with complaints should be subject to a lean review) has been completed. The management of complaints was reported to Committee as being of significant concern to the IARM in the 2016/17 internal audit annual report. The Committee subsequently included the following action in the 2016/17 AGS - "ensure better outcomes are delivered to customers by improving that way in which complaints are recorded, investigated and outcomes reported back to the complainant". This action remains outstanding and as a consequence the level of assurance has not been increased.</p>	Limited	The review work to assess the level and management of complaints in each service and to assess how to apply the recommendation to each service is still ongoing due to resource issues in undertaking this work and in compliance from Services. It is now targeted to be complete by the end of June 2018.

Original assurance level	Agreed Action	Audit area	'Potential' level of assurance	Managers update
Red Amber				
Limited	10	<p>Data Protection & Information Management</p> <p>Seven actions have been introduced. Two actions are outstanding and one has been superseded. The two outstanding actions (relating to issues with data retention in one system and improved privacy notices) are being addressed as part of the procedures being introduced across the Council to meet enhanced data protection requirements introduced by the GDPR. The superseded action relates to the introduction of data protection and information security training as part of the mandatory training programme. This was to have been completed by all staff in 2016/17 to ensure that all training records are accurate and up to date ahead of the Human Resources service being brought back in house. It has not been introduced.</p>	Adequate	A GDPR software upgrade has been received, but this needs to be tested as there are concerns that it does not deliver the outcomes required to manage data deletion to a satisfactory level. The Information Governance Manager has arranged a meeting to assess this and the implications. This will lead to a decision on if/how we use the system and any likely resources to be committed to support this and a decision on our retention practices.

6. INTERNAL AUDIT PERFORMANCE

6.1 In addition to undertaking a review against the PSIAS, Internal Audit also maintains a series of internal performance targets. These are prepared and reported quarterly within the teams Service Plan. The performance as at 31 March 2018 is detailed below.

6.2 Customer satisfaction

Target: 85% or more of customers rating service quality as good or better via customer survey forms.

Outcome: 12 months to March 2018 – 100% (from 11 responses).
2017 – 100% (from 13 responses).

6.3 Service delivery targets

Target: The four service delivery targets are achieved.

Outcome: All four of the targets have been achieved.

	Target	March 2018	March 2017
a) Complete audit fieldwork by the date stated on the audit brief.	75%	Above target 77%	58%
b) Issue draft audit reports within the month stated on the audit brief.	80%	Above target 82%	---
c) Meet with customer and receive response allowing draft report to progress to final within 15 working days of issuing draft report.	75%	Above target 81%	77%
d) Issue final audit report within 5 working days of receiving full response.	90%	Above target 95%	100%

7. QUALITY ASSESSMENT & IMPROVEMENT PROGRAMME (QAIP)

- 7.1 The IARM has maintained a QAIP throughout the year in accordance with the PSIAS. In May 2018 an auditor undertook a self-assessment to evaluate Internal Audit's conformance with the PSIAS in preparation for the independent external review that is required to be completed by March 2019.
- 7.2 There are two distinct but connected parts to quality programmes. First, quality assurance means establishing and implementing best practice to maintain an effective level of performance and to prevent problems from arising (i.e. the day to day supervision, review and measurement of internal audit activity that is inbuilt into policies and routine procedures). Second, continuous improvement is needed to build on what is done and how it is done.
- 7.3 An action plan is currently being prepared from the results of the self-assessment. This will be shared with the Committee once it has been approved by the Head of Resources. The IARM does not consider that there are any issues identified in the self-assessment that would result in non-conformance with PSIAS.

Annex

- A. Status of audits as per the audit plan agreed
- B. External assurance received
- C. Definitions used in the report
- D. Summary of key findings identified by Internal Audit

David Harwood : Internal Audit & Risk Manager
Huntingdonshire District Council
May 2018

Status of audits as per the agreed 2017/18 audit plan.

Audits undertaken

- 1 Asset of community value
- 2 One Leisure – bars & catering
- 3 One Leisure – membership & income
- 4 Housing benefits
- 5 Environmental Health
- 6 S106 agreements
- 7 Community infrastructure levy
- 8 Countryside services
- 9 Value for money from procurement
- 10 Appointment of consultants and PAYE status
- 11 Payroll
- 12 Maintenance of operational property
- 13 Health & safety management
- 14 Social media use
- 15 Refuse & kerbside waste collection
- 16 Grounds maintenance & street cleaning
- 17 Employee probationary period management
- 18 Apprenticeship levy & scheme
- 19 Client management of shared services
- 20 Commercial estate management
- 21 IT project management
- 22 Hornbill – 3CITSS service desk application
- 23 Data protection & GDPR compliance
- 24 Network security (patch & vulnerability management, firewall management, anti-virus & malware, intrusion detection).

Audits not undertaken

- 25 Ethical standards
- 26 Management of cash flow
- 27 Commercialisation – governance framework
- 28 IT audit – FMS application
- 29 Compliance with the code of procurement
- 30 Financial management system

Additional audits undertaken

- 25 IT governance
- 26 Contract reviews: Re:Fit
- 27 : Civic Suite audit system

External Assurance Received

Date	Report from	Area covered	Assessment
June 2017	Government Internal Audit Agency	Driver & Vehicle Licensing Agency – audit to confirm validity of vehicle keeper data requests.	Green - a high level of compliance.
November 2017	External Auditor (Ernst Young LLP)	Annual Audit Letter 2016/17	Unqualified accounts. Unqualified value for money opinion.
March 2018	----- ditto -----	Grant Certification Report 2016/17	One grant certified: BEN01 Housing and Council Tax Benefit Subsidy - qualified.

Assurance definitions: for information

Substantial Assurance	There are no weaknesses in the level of internal control for managing the material inherent risks within the system. Testing shows that controls are being applied consistently and system objectives are being achieved efficiently, effectively and economically apart from any excessive controls which are identified in the report.
Adequate Assurance	There are minor weaknesses in the level of control for managing the material inherent risks within the system. Some control failings have been identified from the systems evaluation and testing which need to be corrected. The control failings do not put at risk achievement of the system's objectives.
Limited Assurance	There are weaknesses in the level of internal control for managing the material inherent risks within the system. Too many control failings have been identified from the systems evaluation and testing. These failings show that the system is clearly at risk of not being able to meet its objectives and significant improvements are required to improve the adequacy and effectiveness of control.
Little Assurance	There are major, fundamental weaknesses in the level of control for managing the material inherent risks within the system. The weaknesses identified from the systems evaluation and testing are such that the system is open to substantial and significant error or abuse and is not capable of meeting its objectives.

Internal control environment

The control environment comprises the systems of governance, risk management and internal control. The key elements of the control environment include:

- establishing and monitoring the achievement of the organisation's objectives
- the facilitation of policy and decision-making ensuring compliance with established policies, procedures, laws and regulations – including how risk management is embedded in the activity of the organisation, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties
- ensuring the economical, effective and efficient use of resources and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness
- the financial management of the organisation and the reporting of financial management
- the performance management of the organisation and the reporting of performance management.

System of internal control

A term to describe the totality of the way an organisation designs, implements, tests and modifies controls in specific systems, to provide assurance at the corporate level that the organisation is operating efficiently and effectively.

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Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Annual Report of the Committee
Meeting/Date: Corporate Governance Committee – 13 June 2018
Executive Portfolio: Strategic Resources: Councillor J A Gray
Report by: Internal Audit & Risk Manager
Wards affected: All Wards

Executive Summary:

The Committee present an annual report to the Council on the work that it has undertaken each year.

The draft annual report in respect of the 2017/18 is attached at Appendix 1. It has been prepared by the Internal Audit & Risk Manager. It summarises the work undertaken by the Committee during 2017/18 together with any issues that relate to the year.

If after considering the draft report the Committee wish to make any changes, it is proposed that the Chairman be given authority to agree any amendments. The report will be presented to the July Council meeting.

The report will be uploaded onto the Council's website once it has been approved.

Recommendations:

It is recommended that the Committee:

1. Review the draft annual report and decide what changes, if any, they wish to make;
2. Authorise that the Chairman of the Committee approve any amendments to the draft report.

CONTACT OFFICER

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Corporate Governance Committee

Chairman's Annual Report to Council

for the year ending 31 March 2018

Draft copy



Introduction by the Chairman of the Corporate Governance Committee

This is the eighth annual report on the work of the Corporate Governance Committee but my first as Chairman of the Committee.

Rest of text to be agreed with the Chairman.

Councillor M. McGuire
Chairman, Corporate Governance Committee

June 2018

Introduction

The Committee is required to discharge the functions of the Council in relation to both the corporate governance of the Council and the conduct of Elected Members.

The Committee oversees the Council's governance and financial arrangements and the promotion and maintenance of high standards of conduct amongst the Council and Town and Parish Council's within the District of Huntingdonshire. This includes advising the Council on the Code of Conduct for Members, agreeing a Code of Conduct for Planning matters and considering reports by the Local Government Ombudsman.

Functions relating to the conduct of Members are considered by a Standards Sub-Committee (which will report to the main Committee).

The full functions of the Committee are listed in Appendix A.

Effectiveness

An effective Corporate Governance Committee can bring many benefits, including:

- raising greater awareness of the need for internal control and the implementation of agreed audit recommendations;
- increasing public confidence in the objectivity and fairness of financial and other reporting;
- reinforcing the importance and independence of internal and external audit and other similar review process; and
- providing additional assurance through a process of independent and objective review.

The Committee's work activities have been designed so that they not only provide assurance to the Council and allow it to discharge its functions, but also allow the Committee to make a positive contribution towards maintaining good governance practices across the Council.

Committee training

Committee Members need sufficient skills and knowledge to be able to fully understand the wide range of governance issues that fall within their remit. Following completion of self-assessment skills and knowledge forms, the Committee recognised that it needed to expand its knowledge across a number of areas. A training day was held in September 2017 at which external 'experts' were invited to speak to the Committee on the following areas:

- Governance – including the Code of Corporate Governance and requirements of the annual governance statement
- Internal and external audit
- Values of good governance – including the seven (Nolan) principles of public life.

Eight members of the Committee attended the training along with representatives (both Members and Officers) from nine other authorities. Feedback was very positive and once the 2018 self-assessment forms have been completed and analysed the Committee will decide whether it wishes to organise a similar event again.

Matters considered

The table below groups into six categories the issues considered by the Committee during 2017/18. A brief summary of the issues considered within each of the categories is included on the following pages.

	2017				2018	
	May	July	Sept	Nov	Jan	Mar
1 Constitution						
Review thresholds in the Disposals & Acquisition Policy: Land and Property		■				
Recommend to Council: Policy for disposal of Small Land Parcels				■		
Changes to Codes of Financial Management & Procurement					■	
Lead and Deputy Independent Persons appointments					■	
2 Governance issues						
Approve 2016/17 annual governance statement (AGS)		■	■			
Update on 2016/17 AGS significant issues					■	
Consider 2017/18 AGS significant issues						■
Governance Board effectiveness reviews		■				
Annual reports: Complaints			■			
: Freedom of Information					■	
3 External Audit & Financial reporting						
Consider 2016/17 audit results			■	■		
Approve accounting policies						■
Approve 2016/17 annual financial report			■			
Review 2016/17 grant certifications						■
Review 2017/18 audit plan						■
4 Internal Audit						
Approve Internal Audit Charter	■					■
Annual report 2016/17	■					
Implementation of agreed actions	■				■	
Review 2017/18 interim progress report					■	
Approve 2018/19 audit plan						■
5 Standards						
Member code of conduct / register of pecuniary interests / complaints		■	■	■	■	■
Committee annual report		■				
Committee training		■				

	2017				2018	
	May	July	Sept	Nov	Jan	Mar
6 Fraud						
Fraud Investigation Activity 2016/17	■					
Approved whistleblowing policy & noted concerns received	■					
Risk Based Verification policy		■				
Approve anti-fraud & corruption strategy						■

Reviewing the Constitution

The Council have adopted the recommendations of the Committee and introduced a number of changes to the Constitution to allow it to operate more effectively.

The Committee is responsible for proposing to Council changes to the Council's Constitution.

Over the past few years the Council has received numerous demands from the public for the sale of small parcels of land. The Council had no policy in place to deal with these proposals and was relying on a procedure that was open to interpretation. Committee recommended to the Council that it approve a Disposal of Small Land Parcels policy. The policy was approved by Council in December 2017.

The Localism Act 2011 requires the Council to appoint one or more Independent Persons to assist in promoting and maintaining high standards of conduct amongst its elected members and town and parish councillors. The terms of the current post-holders - Mrs Gillian Holmes and Mr Peter Baker - were due to end in April 2018. The Committee discussed the Independent Persons' role, qualifications and remuneration. On the basis that the current Independent Persons had made valuable contributions by providing impartial advice and had excellent working relationships with both the Monitoring Officer and the Deputy Monitoring Officer, it was agreed that the Council be recommended to re-appoint them both for a two-year period ending 30th April 2020. The Council approved the appointments in February 2018.

The annual review of the Codes of Financial Management and Procurement was undertaken, with subsequent changes approved by Council in February 2018.

Governance of the Council

Approving the Annual Governance Statement on behalf of the Council.

At the September 2017 meeting, the Committee approved the 2016/17 [Annual Governance Statement](#) (AGS). The Committee continue to believe that it is important that the Council's stakeholders understand the Council's governance structures and consider that the style of the annual governance statement allows for this.

Four significant governance issues included in the 2016//17 AGS:

Continued development of effective governance and reporting arrangements for shared services.¹

Introduce the replacement financial management system so that it is operational and available to use from December 2017.

Ensure better outcomes are delivered to customers by improving that way in which complaints are recorded, investigated and outcomes reported back to the complainant.

Introduce robust safeguarding procedures.

Shared Services

This item had been included in the AGS for the previous two years. The Committee felt that reporting and oversight of shared services performance was still in its infancy and the failure of a shared service would be of significant impact to the Council.

New financial management system

The 3C Council's jointly purchased a financial management system (FMS) in June 2016 with the intention of modernising the way each Council undertakes its budgeting, financial forecasting, income collection, procurement and payment of suppliers.

The FMS was to have been introduced in April 2017 but has been delayed a number of times. At the time of approving this annual report, Committee were informed that the FMS would 'go-live' in July 2018.

Complaints handling

An internal audit review of customer feedback procedures was undertaken during Qtr. 3, 2016/17. It concluded that overly bureaucratic and time consuming systems were in place to handle customer complaints, and a 'limited' assurance opinion was given.

The Committee was informed in January 2018 that the action plan contained within the AGS – that referred to a review of the complaints policies and procedure and relaunch of the complaints process - would not be achieved by 31 January 2018. An update on progress is due to be provided to the Committee before the approval of the 2017/18 AGS and a decision taken at that time as to whether or not this issue will be carried forward into the 2017/18 AGS.

Safeguarding procedures

An internal audit review of safeguarding procedures was undertaken during Qtr. 4, 2016/17. It concluded that the safeguarding procedures being followed were not as effective as they could be – there was an ad-hoc approach across Services to the assessment of safeguarding risks, piecemeal training and a lack of evidence that consistent checks on employees suitability for employment are carried out.

In consider all of the four matters above, the Committee are of the view that it is important that the planned dates for completion of the necessary actions were achieved. The Committee has requested further updates against each of the items ahead of their deliberations on the 2017/18 governance review.

¹ Huntingdonshire, Cambridge City Council and South Cambridgeshire District Council (known collectively as the 3C's) are sharing ICT, Legal and Building Control Services.

Consideration of significant governance issues for the 2017/18 AGS.

The Managing Director attended the March 2018 Committee meeting and provided Members with a detailed explanation of the approach taken to the identification of five significant governance issues that were being put forward for inclusion in the 2017/18 AGS:

1. Housing Affordability;
2. Morbidity / growing number of years of ill health;
3. Wider economic environment;
4. Skill levels and educational attainment, and
5. Partner agency operational issues.

There was extensive debate on each of the five issues. The debate explored the desire of Members to focus on more strategic challenges, versus looking only at those risks over which the Council has direct control. Members ultimately supported the proposed approach on the grounds that a more strategic alignment to the Council's Corporate Plan and medium term financial strategy should be adopted.

The Committee agreed that the five issues should be included in the 2017/18 AGS and wished to be kept informed on how they would be taken forward. The Manager Director informed Members that work had already commenced on them and that this work fitted with the Council's structural emphasis on LEAN and transformation.

External Audit matters

Approving the 2016/17 annual financial report.

The 2016/17 financial report was externally audited and approved prior to the statutory deadline of 30 September 2017. The external auditors issued both an unqualified value for money and financial statement opinion.

Housing Benefit grant certification

The Council received £34.3m of Housing Benefit grant during 2016/17 and the external auditors review the grant certification process on behalf of the Dept. of Work and Pensions. The Committee were pleased to note that administration of Housing Benefit claims continues to be well managed and that the audit only identified a number of minor errors (£424.97) which were not material in the context of the overall grant.

Internal audit

Adequate assurance opinion.

The Committee noted that the adequate assurance opinion was unchanged from 2016/17.

The annual opinion of the Internal Audit & Risk Manager as at 31 March 2018 was that the Council's internal control environment and systems of

Additional text to be added to this section once the Committee have reviewed the internal audit annual report.

internal control provide adequate assurance over key business processes and financial systems.

Improving performance through the introduction of a new process for monitoring internal audit actions introduced on time.

Last year's annual report set out the Committees concerns with the continued failure to achieve the performance targets set for the introduction on time of internal audit actions. The Chairman met with the Managing Director and the Deputy Executive Leader to express the Committees concerns.

In May 2017, the Head of Resources outlined a new process for agreeing valid extension of time requests from Managers. The process had been agreed by the Managing Director and be overseen by the Head of Resources. The Committee are pleased to be able to report that this new process has had a positive effect and that the percentage of internal audit actions introduced on time is steadily increasing. Up from 50% at May 2017 to 79% at March 2018. The Committee intend to continue to monitor the position and include it in their annual work plan.

Approving the internal audit work plan and Internal Audit Charter.

The Committee approved the 2017/18 internal audit plan, consisting of 30 reviews, in March 2017. A member of the internal audit team was seconded to the Transformation Programme for one year during February 2017. To reduce the impact of this move, 140 general audit days were purchased from the Council's current IT internal audit service provider.

The Committee was informed that the seconded auditor resigned in November 2017 and that the post had been identified as a potential saving for 2018/19. Members were concerned that the reduction in resources decreased the level of resource able to probe governance issues and also threatened to lead to a loss of audit independence. The Committee decided to express to the Managing Director and Executive Leader their views. However the decision was endorsed by Council in February 2018 and it was agreed to delete the auditor post.

In March 2018, the Committee approved changes to the Internal Audit Charter. Changes were necessary following the April 2017 revisions to the Public Sector Internal Audit Standards – which adopted the mandatory elements of the global Institute of Internal Auditors International Professional Practice Framework.

Standards

Ensuring good standards are maintained throughout the District.

The Committee has received five reports during the year on various standards matters:

- The adoption of Codes of Conduct by Town and Parish Councils
- The receipt and publication of register of interests forms on behalf of District, Town and Parish Councillors
- Updates on complaint cases regarding alleged breaches of the Code of Conduct by Members within the Council and Town and Parish Councils.

When discussing the reports Members requested that feedback could be provided to Town and Parish Council's together with suggestion for possible future training areas.

Countering fraud

Corporate Fraud Teams (CFT) 2016/17 annual report.

The Committee remain strong supporters of the CFT and were pleased to see that they had identified over £83k in Council Tax related fraud and undertaken 8 prosecutions. The benefits of working together with social housing partners was highlighted, with 8 social housing properties recovered (with a notional value of £144k) that had been illegally sub-let.

Approving the anti-fraud and corruption strategy.

In March 2018 the Committee approved a revised anti-fraud and corruption strategy for the period 2018-2021. Changes to the strategy have been made to reflect the requirements of the Local Government Counter Fraud and Corruption Strategy 2016/17 and the June 2017 briefing from the Internal Audit Standards Advisory Board on the Internal Audit role in counter fraud.

One of the changes introduced was the inclusion for the first time of the seven (Nolan) principles of public life. These are currently included in the employees code of conduct but with the Employment Committee adopting a new set of values for the Council – icare (inspirational, collaborative, accountable, respectful, enterprising) and in anticipation that the employees code of conduct would be reviewed at some point during 2018-2021 to reflect the icare values and remove the principles of public life, the Committee wished to see a link to the Nolan principles being maintained.

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The issues above deal with the core business of the Committee. A number of reports and other issues were also considered during the year that had a direct impact upon governance systems and processes across the Council:

- Reviewing the outcomes of complaints made to the Local Government Ombudsman and internal complaints that could not be dealt with informally.
- Considering and then approving to Cabinet, changes to the Housing Benefits risk based verification policy.
- Reviewing the Council's compliance and performance in respect of responses to enquiries received under both the Freedom of Information and Environmental Impact Regulations.
- Considering whistleblowing allegations received and changes to the whistleblowing policy and procedure.

Committee membership & attendance

		2017				2018	
		May	July	Sept	Nov	Jan	Mar
Chairman	Cllr M Francis	■	■	■	■	■	■
Vice-Chairman	Cllr J M Palmer	■	■	■	■	■	■
	Cllr E R Butler	--	--	■	--	--	--
	Cllr Mrs S Conboy	■	■	■	--	■	■
	Cllr D B Dew	--	■	--	--	--	--
	Cllr Mrs L A Duffy	■	■	--	■	--	--
	Cllr D Giles	■	--	--	■	■	--
	Cllr T Hayward	■	■	■	■	■	--
	Cllr P Kadewere	■	■	■	■	■	--
	Cllr Mrs R E Matthews	■	■	■	■	--	■
	Cllr D M Tysoe	■	--	■	■	--	■
	Cllr R J West	■	■	■	--	■	■
Key:		■	attended	--	absent		

The following appointments were made to the Committee by the Council.

17 May 2017 Councillors E R Butler, Mrs S J Conboy, D B Dew, Mrs L A Duffy, M F Francis, D Giles, T Hayward, P Kadewere, Mrs R E Mathews, J M Palmer, D M Tysoe, and R J West.

**Corporate Governance Committee
Functions : Approved by Council 29 March 2017**

To discharge the functions of the Council in relation to the Corporate Governance of the Council and to be the Council's "Audit" Committee.

These responsibilities include:

- | | |
|------------------------------------|--|
| Constitution | Considering proposals to change the Council's Constitutional arrangements and making appropriate recommendations to the Council. |
| Governance | <p>Regularly reviewing the Council's Code of Corporate Governance and recommending any changes to the Council and approving the annual governance statement and reviewing the achievement of any outstanding improvements.</p> <p>Ensuring there are effective arrangements for the management of risk across the Council.</p> <p>To consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.</p> <p>Through the Chairman, the Committee will provide the Council with an Annual Report, timed to support finalisation of the financial statements and the Governance Statement, on how it has discharged its responsibilities.</p> |
| Internal and External Audit | <p>Fulfilling the Board responsibilities of the Public Sector Internal Audit Standards and ensuring effective internal audit is undertaken in accordance with those Standards.</p> <p>Receiving and considering external audit reports including the adequacy of management response to issues identified.</p> |
| Final Accounts | Approving the accounting policies, statement of accounts and considering any matters arising from the external audit. |
| Countering Fraud | <p>Reviewing and monitoring the policy and procedure and arrangements for investigating disclosures under the Public Interests Disclosure Act 1999.</p> <p>Monitoring the Anti-Fraud and Corruption Strategy and receive annual updates on countering fraud.</p> |
| Standards | <p>The promotion and maintenance of high standards of conduct within the Council.</p> <p>To advise the Council on the adoption or revision of its Codes of Conduct for Members.</p> <p>The promotion and maintenance of high standards of conduct within the town and parish councils within Huntingdonshire.</p> <p>To advise the Council on the adoption or revision of a Protocol for Member/Officer relations.</p> |

Corporate Governance Committee
Functions : Approved by Council 29 March 2017

To advise the Council on the adoption of a Code of Conduct for Planning and monitoring operation of the Code.

Complaints

Consideration of reports by the Local Government Ombudsman including compensatory payments.

Electoral matters

Consider the periodic electoral review and review District and Parish electoral arrangements including boundaries and other electoral matters.

The Monitoring Officer, in consultation with the Chairman of the Corporate Governance Committee is authorised to appoint to the Standards Sub-Committee as and when it is required to be convened.

Standards Sub-Committee

To include Independent Person and Parish Council representatives.

Functions relating to standards of conduct of members under any relevant provision of, or regulations made under, the Localism Act 2011.

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

Committee	Decisions	Date for Action	Action Taken	Officer Responsible	Delete from future list
07/12/2016	<p><u>Skills, Knowledge and Effectiveness Review</u></p> <p>The Corporate Governance Committee resolved:</p> <p>i. that a training programme be devised; and</p> <p>ii. that an effectiveness review be undertaken.</p>			Internal Audit and Risk Manager	No
24/05/17	New Members to receive the training survey. IRAM to submit report on training options.	12/07/17	Report submitted and training event agreed.	Internal Audit and Risk Manager	
12/07/17	Training to be provided on the values of good governance, external audit and internal audit.	12/09/17	Training arranged.	Internal Audit and Risk Manager.	
17/01/18	Further training to be undertaken in the new Municipal Year.	TBA		Internal Audit and Risk Manager.	
12/07/17	<p><u>CGC Annual Report</u></p> <ul style="list-style-type: none"> Annual Report approved for submission to the Council, Internal Audit and Risk 	27/09/17	Annual report to be included in the Agenda for the Council.	Internal Audit and Risk Manager.	

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

Committee	Decisions	Date for Action	Action Taken	Officer Responsible	Delete from future list
	<p>Manager authorised to make amendments to the Report after consulting the Chairman</p> <ul style="list-style-type: none"> Internal Audit and Risk Manager to consider terms of a draft work plan. 	TBA	Chairman and Vice-Chairman to be consulted.	Internal Audit and Risk Manager.	No
12/07/17	<p><u>Annual Review of Thresholds – Disposals and Acquisitions Policy</u></p> <p>Policy endorsed. Further review to take place in 24 months.</p>	07/2019	Review to be undertaken in 2019	Head of Resources	No