

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, 12 JUNE 2019** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

**Contact  
(01480)**

## **APOLOGIES**

### **1. MINUTES (Pages 5 - 10)**

To approve as a correct record the Minutes of the meetings of the Committee held on 27th March 2019 and 15th May 2019.

**H Peacey  
388007**

### **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 11 - 18)**

To consider a report on the Code of Conduct and Register of Disclosable Pecuniary Interests.

**T Batha  
388924**

### **4. CODE OF CONDUCT COMPLAINTS - UPDATE (Pages 19 - 22)**

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.

**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 or to be taken in connection with the prevention, investigation or prosecution of crime.

### **6. ANNUAL REVIEW OF BENEFITS RISK BASED VERIFICATION POLICY (Pages 23 - 40)**

To consider a report by the Revenues and Benefits Manager on 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 41 - 52)

To consider a report by the Corporate Fraud Manager containing a summary of the activity of the Council's Corporate Fraud Team in 2018/19, including the number of investigations undertaken, types of investigation and the value of the fraud identified.

**L Martin**  
**388861**

**9. WHISTLEBLOWING POLICY, GUIDANCE AND CONCERNS RECEIVED** (Pages 53 - 64)

To consider a report by the Internal Audit & 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 ending March 2019.

**D Harwood**  
**388115**

**10. INTERNAL AUDIT SERVICE: ANNUAL REPORT 2018/19** (Pages 65 - 84)

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

**D Harwood**  
**388115**

**11. ANNUAL REPORT OF THE COMMITTEE** (Pages 85 - 98)

To consider the Annual Report to the Council in respect of the year ending March 2019 on the work that has been undertaken by the Corporate Governance Committee.

**D Harwood**  
**388115**

**12. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT** (Pages 99 - 100)

To receive the Corporate Governance Committee Progress Report.

**H Peacey**  
**388007**

Dated this 4 day of June 2019



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 Habbiba Peacey, Democratic Services Officer, Tel: 01480 388169 / email: [Habbiba.Peacey@huntingdonshire.gov.uk](mailto:Habbiba.Peacey@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.**

**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](http://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, 27 March 2019.

PRESENT: Councillor L W McGuire – Chairman.

Councillors E R Butler, D A Giles,  
Dr P L R Gaskin, H V Masson, D J Mead,  
Mrs S Smith and D R Underwood.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors P Kadewere, J P Morris, D J Wells and J E White.

### INTRODUCTORY REMARKS - COUNCILLOR P KADEWERE

At the beginning of the meeting, the Committee placed on record their thoughts and condolences to Councillor P Kadewere whose family had been affected by the cyclone on the eastern coast of Africa.

#### 43. MINUTES

The Minutes of the meeting of the Committee held on 23rd January 2019 were approved as a correct record and signed by the Chairman.

#### 44. MEMBERS' INTERESTS

No declarations were received.

#### 45. 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), the Committee were provided with a summary and update of completed and ongoing complaints received regarding alleged breaches of the Code of Conduct under the Localism Act 2011 since the start of the year.

The Elections and Democratic Services Manager drew attention to a recently published Independent Report on Local Government Ethical Standards and advised Members that a report summarising the findings would be presented at the Committee's next meeting.

RESOLVED

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

#### 46. GRANT CERTIFICATION 2017/18

A copy of a report by the Benefits Systems & Development Manager

was submitted (a copy of which is appended in the Minute Book) to which was attached the External Auditor's Annual Certification Report 2017/18. 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 were encouraged to note that of the £32.8m in Housing Benefit grant received from central government, errors had been identified totalling £169. This was considered to be low given that the Benefits Team processed around 2,100 new claims and over 36,000 changes of circumstance for claimants in 2017/18. Having had their attention drawn to the fees charged by the External Auditor for completing this work, the Committee

RESOLVED

that the contents of the External Auditor's Annual Certification report 2017/18 be noted.

#### **47. REVIEW OF CODE OF PROCUREMENT**

Consideration was given to a report by the Procurement Manager (a copy of which is appended in the Minute Book) proposing amendments to the Code of Procurement.

By way of background, the Committee were informed that the changes proposed sought to ensure that social value was considered in all invitations to tender for services which would bring about employment, community and environment benefits to the District. Given that the Code formed part of the Council's Constitution, an amendment was proposed to the recommendation contained within the report to enable the Committee to recommend approval of the Code to Council. Whereupon, it was

RESOLVED

that the proposed amendments to the Code of Procurement as outlined in Appendix 2 of the report now submitted be recommended for approval by Council.

#### **48. INTERNAL AUDIT PLAN 2019/20**

With the aid of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) the Committee considered the content of the Internal Audit Plan for the period April to September 2019.

Members' attention was drawn to the current restructure of the Resources Service. Although the final outcome was not yet known, it was anticipated that there would be a slight increase in resources within the Internal Audit Team. Concern however was expressed at the decision to move risk management and insurance services out of the Internal Audit Team. The Interim Finance Manager reported that the function would remain in-house within the Resources Service. Furthermore, the Chairman confirmed that overall responsibility for risk management remained with the Committee and that reporting to Members would continue as planned. Nevertheless, the Committee

requested an explanation from the Head of Resources explaining the rationale behind the decision to move the risk management and insurance services team and to confirm that the service would not be outsourced.

Given that the outcome of the restructure was not yet known, the Committee were advised that this might impact upon the proposed Internal Audit Plan. Having expressed their disquiet at being asked to approve an Audit Plan that was likely to change, Members agreed to approve the Plan on the proviso that an update was received from the Executive Councillor for Resources on the restructure and its impact upon the Committee's role.

In response to a question raised by a Member, the Internal Audit Manager confirmed that he would include examples where Internal Audit had demonstrated its ability to positively influence and contribute to service developments and initiatives in a report due to be presented to Members at a future meeting. In noting that performance measures for the Internal Audit Service were currently in draft form but that the Committee would have sight of the measures once finalised, it was

#### RESOLVED

- (a) that the Internal Audit Plan for the period April to September 2019 be approved; and
- (b) that changes to the Internal Audit Plan be approved following consultation with the Head of Resources (as Section 151 Officer) and the Chairman of the Corporate Governance Committee.

#### **49. 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. In so doing, the Committee requested that the Annual Complaints Report include details of the number of complaints received the previous reporting year for comparable purposes.

Chairman

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## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in the Civic Suite, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 15 May 2019.

PRESENT: Councillors E R Butler, P Kadewere, D A Giles, Dr P L R Gaskin, H V Masson, L W McGuire J P Morris, D R Underwood, J E White, D N Keane and S M Burton.

APOLOGIES: An Apology for absence from the meeting was submitted on behalf of Councillor D J Wells.

### 1. ELECTION OF CHAIRMAN

RESOLVED

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

### 2. MEMBERS' INTERESTS

No declarations of interest 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  
12 June 2019

**Report by:** Tom Batha, Member Support Assistant

**Ward(s) affected:** All Wards

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### **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.

### **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, 35 have had their full Register published on the District Council's website, 36 Parishes have published their Register with vacancies and one Parish Council currently has a form outstanding.
- 3.3 In terms of individual DPIs, 599 out of a total of 650 have been received from Parish Councillors; with 50 vacant and one 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 Due to the sudden resignation of the Clerk and all remaining Councillors at Woodwalton Parish Council, there are a total of five vacancies at this time. Advertising for the Parish Councillors and Clerk vacancies has been posted on the Parish Council's website and work is currently underway to appoint a new Parish Clerk, as well as co-opting to fill the vacancies to re-establish Woodwalton as a quorate Parish Council.
- 3.5 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.

**6. LINK TO THE CORPORATE PLAN**

6.1 The Council's strategic priorities include collaboration with partners to enhance community resilience. 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 – Town and Parish Councils Disclosable Pecuniary Interests (DPI) forms

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

**BACKGROUND PAPERS**

None.

**CONTACT OFFICER**

Tom Batha, Member Support Assistant (Corporate Office)

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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	7		
3	Alconbury	11	7	4	
4	Alconbury Weston	7	7		
5	Alwalton	5	5		
6	Barham & Woolley	5	5		
7	Bluntisham	11	8	3	
8	Brampton	15	14	1	
9	Brington & Molesworth	5	4	1	
10	Broughton	7	6	1	
11	Buckden	15	15		
12	Buckworth	5	4	1	
13	Bury	9	9		
14	Bythorn & Keyston	5	5		
15	Catworth	7	6	1	
16	Colne	9	8	1	
17	Conington	5	4	1	
18	Earith	11	10	1	
19	Easton	5	5		
20	Ellington	7	7		
21	Elton	9	8	1	
22	Farcet	11	8	2	1
23	Fenstanton	13	12	1	
24	Folksworth & Washingley	9	9		
25	Glatton	5	5		
26	Godmanchester	17	16	1	
27	Grafham	7	7		
28	Great & Little Gidding	7	5	2	
29	Great Gransden	9	8	1	
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	12	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	10	1	
41	Kings Ripton	5	5		
42	Leighton Bromswold	7	6	1	
43	Little Paxton	15	14	1	
44	Offord Cluny & Offord Darcy	11	11		
45	Old Hurst	7	7		
46	Old Weston	7	7		
47	Perry	8	6	2	
48	Pidley cum Fenton	7	6	1	
49	Ramsey	17	17		
50	Sawtry	15	14	1	
51	Sibson cum Stibbington	7	5	2	
52	Somersham	15	15		
53	Southoe & Midloe	7	7		
54	Spaldwick	7	7		
55	St Ives	17	17		
56	St Neots	21	20	1	
57	Stilton	11	10	1	
58	Stow Longa	5	5		
59	The Stukeleys	9	8	1	
60	Tilbrook	5	5		
61	Toseland	5	5		
62	Upton & Coppingford	6	5	1	
63	Upwood & The Raveleys	9	8	1	
64	Warboys	15	15		
65	Waresley cum Tetworth	5	5		
66	Wistow	7	6	1	
67	Woodhurst	7	6	1	
68	Woodwalton	5	0	5	
69	Wyton on the Hill	7	5	2	
70	Yaxley	17	16	1	
71	Yelling	7	7		
Totals		650	599	50	1

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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		
<b>TOTAL</b>	<b>57</b>	<b>12</b>	<b>2</b>

**Public**  
**Key Decision - No**

## HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** Code of Conduct Complaints - Update

**Meeting/Date:** Corporate Governance Committee – 12th June 2019

**Executive Portfolio:** Councillor G J Bull, Executive Leader

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

**Ward(s) affected:** All

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### **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 meeting in March 2019.**

## 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
19/24	Huntingdonshire District Council	Complaint against District Councillor alleging he breached 3.4 (disrepute), 3.7 (independent judgement) and 3.8 (acting unlawfully) of the Code	Matter investigated and report produced by Independent Investigator. Awaiting hearing to be scheduled to consider the report.
19/27	Huntingdonshire District Council/St Ives Town Council	Complaint against Councillor alleging he breached 3.1 (leadership), 3.2 (bullying) and 3.4 (disrepute) of the Code	Matter investigated and concluded that there was no breach of the Code. Complaint dismissed.
19/28	Huntingdonshire District Council	Complaint against District Councillors alleging they breached 3.1 (leadership), 3.2 (bullying), 3.4 (disrepute) and 3.7(i) exercising own independent judgement in taking decisions of the Code	Matter being investigated to determine whether there has been a breach of the Code.
19/29	Huntingdonshire District Council	Complaint against District Councillor alleging he breached (leadership) and 3.4 (disrepute) of the Code	Matter being investigated to determine whether there has been a breach of the Code.

19/30	Upwood Parish Council	Complaint against a Parish Councillor alleging he breached 3.4 (disrepute) of the Code	Matter being investigated to determine whether there has been a breach of the Code.
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#### **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

#### **CONTACT OFFICER**

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 Elections and Democratic Services Manager & Deputy Monitoring Officer  
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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 – 12 June 2019

**Executive Portfolio:** Councillor Jonathan Gray, Executive Councillor for Resources

**Report by:** Corporate Fraud Manager

**Ward(s) affected:** All

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### **Executive Summary:**

The Council's Anti-Fraud and Corruption Strategy sets out a requirement that a report shall be submitted on an annual basis to the Corporate Governance Committee detailing the work that has been undertaken by the Corporate Fraud Team (CFT).

During 2018/19, the CFT:

- Received 580 referrals
- Investigated 341 cases and identified fraud valued at £480k
- Recovered 3 social housing properties
- Carried out 9 prosecutions
- Administered 28 Council Tax Penalties giving an income of £2k
- Administered 6 Administrative Penalties giving an income of £3.5k
- Identified fraud and error of £130k from the National Fraud Initiative (NFI)
- Achieved a Proceeds of Crime Act prosecution for the council resulting in a confiscation order of £18,000.

### **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 2018/2019.

## 1. PURPOSE OF THE REPORT

- 1.1 This report provides a summary of the activity of the Council's CFT in 2018/19 including the number of investigations undertaken, types of investigation and the value of the fraud identified.

## 2. BACKGROUND

The CFT plays a key role in ensuring that the Council meets its requirements under the Anti-Fraud and Corruption Strategy (AFCS) 2018-2021 by providing a comprehensive fraud service across the whole of the Council. The AFCS sets out the requirement for the Corporate Leadership Team to approve an annual business plan 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 2018-19 in line with the business plan.

- 2.1 The team consists of a manager, an investigation officer and an intelligence / data analyst officer.
- 2.2 The CFT'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:

	2017/18	2018/19
Allegations of fraud	794	580
Cases investigated	335	341
Cases where fraud was found	118 (35%)	102(30%)
Social housing recovered	1	3
Prosecutions	12	9
Penalties/fines	23	34

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

Council Tax Support	£35,386
Council Tax SPD	£31,050
Housing Benefit *	£109,702
DWP Administered Services *	£24,922
Council Tax Fines	£1,960
Administrative Penalties	£3,658
Value of social housing recovered**	£279,000
NFI report***	£129,816

\*During the investigation of CTS and SPD 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 the figures above.

\*\* This figure has been taken from the Chartered Institute for Public Finance and Accountancy (CIPFA) Fraud and Corruption Tracker Report 2018 and represents a notional figure of the income lost to housing fraud.

\*\*\* This figure mainly represents entries being removed from the housing register and is a notional figure based on the cost of administering an application.

- 3.2 The number of prosecutions has reduced this year mainly due to the low financial level of CTS and SPD fraud 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 and this also accounts for the increase in penalties issued.
- 3.3 The number of properties recovered has increased from last year due to successful collaboration with local Housing Associations. Working with Clarion Housing on a tenancy fraud case resulted in a successful prosecution and the tenant giving up the property so it could be offered to a family in need. Work continues with Luminus for People and as a result of the CFT arranging free training for them around tenancy fraud provided by the Tenancy Fraud Forum, there has been a marked increase in referrals and contact from them. With the transfer to Places for People moving forward, the CFT is in talks to carry out checks on Right to Buy applications for a fee. Identified by CIPFA as a high risk area, the maximum discount for a house in this area is £82,800. By assisting Luminus/Places for People with this, the CFT is also helping to safeguard the valuable and limited housing stock that HDC has access to and create some income generation.
- 3.4 The CFT 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 involved a couple who were sub-letting their shared ownership property whilst living in Northern Ireland making a substantial profit. The successful prosecution resulted in suspended sentences for both plus a confiscation order of approximately £18,000 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, the second prosecution of this type undertaken by the CFT.
- 3.5 As a result of the above case, the Corporate Fraud Manager, with the assistance of the Legal Team, has now secured a contract with Peterborough and Cambridge Trading Standards for HDC corporately to use the services of their Financial Investigator 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 101 Local Authority Information Exchange Form (LAIEF) plus dealt with numerous requests for further information that was required.
- 3.7 The CFT conducts the vast majority of the National Fraud Initiative, a Home Office scheme run bi-annually matching numerous government data bases. Over a thousand matches have been processed so far with fraud and error of £129,861 being identified. Data matching continues to be an effective way of

identifying potential fraud and also ensures that council-wide databases are up to date, e.g. housing register and electoral roll.

- 3.8 The Corporate Fraud Manager is the Council's Coordinating Officer for the Regulatory Investigatory Powers Act which deals with Directed Surveillance and Communications Data requests. It is a requirement of the Council's Covert Surveillance (RIPA) Policy and Procedure that a report is made annually to CGC on any activity undertaken in line with the policy. In 2018/2019, HDC made three applications for Directed Surveillance regarding fly tipping matters and the deployment of covert cameras and three applications for Communications Data also regarding fly tipping matters to ascertain subscriber and address information. All Communications Data requests were made via the National Anti-Fraud Network (NAFN).

#### **4. KEY IMPACTS / RISKS**

- 4.1 The Council is constantly at risk of fraudulent activity against its services and so the presence of the CFT helps to mitigate this risk. The main emphasis is on the prevention and detection of potential fraud in higher monetary value service areas such as Council Tax, i.e. ensuring the award of discounts, exemptions and CTS is correct and Housing, i.e. working with both internal and external partners to make sure that housing is allocated correctly and those who try to take advantage of the system are caught and where appropriate, prosecuted. The CFT is also involved in checking that expensive temporary accommodation provided by the council is being occupied in accordance with the license issued.
- 4.2 The CIPFA Fraud and Corruption Tracker Summary Report sets out the main types of fraud identified across the country and the CFT uses this and other publications to stay up to date with current trends and new emerging risks.

#### **5. WHAT ACTIONS WILL BE TAKEN**

- 5.1 The CFT will continue to be proactive in identifying and investigating allegations of fraud and corruption against the Council. A key aim for 2019/2020 is to set up a Tenancy Fraud Forum group for Cambridgeshire for both social housing providers and local councils. This will give people a chance to work collaboratively with others in the same field, ask for advice and help keep communication links open.
- 5.2 The CFT intends to enhance internal data matching by increasing the number of data sets used.
- 5.3 Joint working with the Department for Work and Pensions on Housing Benefit and Council Tax Support claims commenced in December 2018. This allows joint investigations on suitable cases with the ability to exchange information and evidence. A lack of resources at DWP has meant a slow start but it is hoped this will be addressed in the coming 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. RESOURCE IMPLICATIONS**

- 7.1 Fraud Team costs for 2018/19 were £139,275.

## **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**

Appendix 1 – Corporate Fraud Team Work Plan 2018/19

## **BACKGROUND PAPERS**

CIPFA Fraud and Corruption Tracker Summary Report 2018

<https://www.cipfa.org/services/counter-fraud-centre/fraud-and-corruption-tracker>

## **CONTACT OFFICER**

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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:** Whistleblowing Policy, Guidance and Concerns Received  
**Meeting/Date:** Corporate Governance Committee – 12 June 2019  
**Executive Portfolio:** Strategic Resources: Councillor J A Gray  
**Report by:** Internal Audit & Risk Manager  
**Wards affected:** All Wards

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### **Executive Summary**

Whistleblowing is a colloquial term for disclosing wrongdoing. The purpose of whistleblowing law is to protect individuals who make 'protected' disclosures of wrongdoings in the public interest without fear of reprisals from their employer.

With the exception of updating job titles, it is recommended that no changes are made to either the whistleblowing policy or guidance. The outcome of this review will be included in the Local Code of Corporate Governance.

Only Council employees, contractors or suppliers providing services under a contract to the Council are classified by law as whistleblowers. One allegation has been received during 2018/19 that fulfilled this criteria.

Members of the public have continued to use the whistleblowing channels available to raise matters of concern and complaints. Five concerns have been received from the public, one of which related to an employee. This was investigated and found to have no substance.

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**

- 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 2019.

## **2. WHY IS THIS REPORT NECESSARY**

- 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 Apart from an administrative change to post titles, there have been no other legislative or legal decisions that require either the policy or guidance notes to be changed.

### **Publicity and communication**

- 3.2 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. These are clearly set out in the whistleblowing guidance note (see appendix 2).

- 3.3 A publicity campaign is generally undertaken once a year to promote the policy to staff. Over the years a wide variety of posters have been designed to promote the policy. These are displayed in the main administrative buildings and the Leisure Centres. A similar campaign will be designed and run following approval of the policy.

### **Whistleblowing concerns received**

- 3.3 One whistleblowing allegation (as per the definition in the policy) has been received in 2018/19. (No allegations were received last year). The allegation referred to methods of working within one service area. The Internal Audit Manager suggested to the whistleblower that the matter be raised with their line manager. This was done and action was taken within the service to address the concern. Consequently the whistleblower asked that the allegation not be pursued. The Internal Audit Manager has spoken to the whistleblower to confirm that they are happy that appropriate action has been taken; they have agreed that this has been the case.

- 3.4 One allegation was received from a member of the public about the financial circumstances of an employee. Following discussions with colleagues in another Council, this allegation was found to have no substance and was not pursued.

## **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.

## **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**

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## 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 legislation<sup>1</sup> and the Code of Practice issued by Public Concern at Work<sup>2</sup>. It was adopted by the Corporate Governance Committee on behalf of the Council on 12 June 2019.

### 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.

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<sup>1</sup> Enterprise and Regulatory Reform Act 2013

<sup>2</sup> 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 concern<sup>3</sup>. 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.

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<sup>3</sup> 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 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 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 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](mailto: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 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 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 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 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 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 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 2018/19  
**Meeting/Date:** Corporate Governance Committee – 12 June 2019  
**Executive Portfolio:** Strategic Resources: Councillor J A Gray  
**Report by:** Internal Audit & Risk Manager  
**Wards affected:** All Wards

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### **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 2019 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.

However, the opinion excludes any view on the effectiveness of the key controls associated with the financial management system due to work in that area not being completed at the time of preparing this opinion statement.

**David Harwood**  
**Internal Audit & Risk Manager**

May 2019

The assurance opinion is at the same level as last year. The opinion is based on the outcome of 12 audit reviews and the review of key controls within three financial systems.

The 12 audits have identified 33 actions for improvement. None of these has been classified as 'red' or 'high risk' actions (i.e. meaning the uncontrolled risk has the potential to seriously affect service delivery).

There are three areas that need to be brought to Committees attention.

- 1) Continuing issues with the collection of historic debt.

- 2) The lack of oversight of the small works contract due to a lack of specialist and expert knowledge.
- 3) Managers continued poor performance in introducing on time, actions that they have already agreed too.

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 ahead of a planned independent external assessment. Neither the action plan from the self-assessment nor the external assessment have been delivered, due to the Internal Audi & Risk Manager deciding that delivery of the internal audit plan was more important than allocating resources to the QAIP.

The Resources restructure that is due to be implemented in the next few weeks will remove non-audit duties (insurance/risk management) from the team. A proportion of the time that will be freed will be spent on delivering the action plan.

### **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 2018/19.



## **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 2018 to 31 March 2019.
- 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**

- 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, four adequate assurance and three limited assurance reports issued in 2018/19. There are a number of matters within these reviews and from other work undertaken that need to be brought to the Committee's attention.

### **Debt management**

The Council's policy of prompt debt referral and the expectation of prompt action is not being delivered by 3C Legal. Until changes to the debt recovery process are introduced any new debts referred to 3C Legal may not be recovered promptly.

### **Small works contract**

The contract ended in March 2019 and has not been retendered. Individual works are being ordered in accordance with the Code of Procurement. Following the restructure of the Project and Assets team and staff redundancy, the Council has no staff who are qualified or experienced in assessing and challenging work ordered under the contract. This has led to staff with little experience ordering and authorising invoices. A review of how the Council manages all its assets is planned for 2019 and it is expected that this will establish if there is a need for a similar contract in the future.

### **Implementation of agreed audit actions on time**

The performance indicator (% of agreed internal audit actions introduced on time) provides an assessment of the commitment and effectiveness of management in implementing actions. Managers who do not implement agreed actions arising from internal audit findings expose the Council to continued risk. Over the course of the year performance has fallen. Only 63% of agreed actions were introduced on time at March 2019 compared to 79% at March 2018.

In addition from a sample of follow-up reviews undertaken some actions are being marked as fully introduced when evidence suggests otherwise. Such action inflates the percentage performance figure leading to inaccurate figures being reported.

#### **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.

#### **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 PSIAS, 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 2018/19.

#### **BACKGROUND PAPERS**

Internal Audit Reports

Internal Audit performance management information

#### **CONTACT OFFICER**

David Harwood, Internal Audit & Risk Manager

Telephone: 01480 388115

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

## Internal Audit Service Annual Report 2018/19

### 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 2018 to 31 March 2019.
- 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.
- 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 it is my opinion that the Council's internal control environment and systems of internal control as at 31 March 2019 provide adequate assurance over key business processes.

However, the opinion excludes any view on the effectiveness of the key controls associated with the financial management system due to work in that area not being completed at the time of preparing this opinion statement.

**David Harwood**  
Internal Audit & Risk Manager

May 2019

- 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 2018/19, 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 2018/19.

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 2018/19 AUDIT PLAN

3.1 In an effort to ensure the audit plan was reflective of the key risks faced by the Council a trial was undertaken in 2018/19 of preparing the audit plan on a quarterly basis. The audit plan was presented to the Corporate Governance Committee on 28 March 2018 (Qtr. 1 plan), 26 July 2018 (Qtr. 2), 10 October 2018 (Qtr. 3) and 23 January 2019 (Qtr. 4).

3.2 In addition to providing information on forthcoming audits the reports also provided the Committee with details of progress to date and any changes that had been made to the previously agreed quarterly plan. This allowed the Committee to have full oversight of the work of internal audit during the year and provide constructive challenge.

#### Internal Audit Reports Issued

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

Audit area		Action type & No.	
		Red	Amber
<b>Substantial</b>			
	Payroll	---	---
	Council Anywhere **		4
<b>Adequate</b>			
	Freedom of Information		6
	New mobile phones – procurement & roll-out		2
	PCI-DSS **		5
	Protocol IT policy system management **		5
<b>Limited</b>			
	IT disaster recovery		5
	Information security healthcheck **		2
	Land charges**		4
<b>No opinion given</b>			
	Small works contracts	---	---
	Management of historic debt	---	---
	Taxi licence fees	---	---
	** Draft reports (status as at 31/05/2019).		

- 3.4 A number of internal audit reviews from the 2018/19 plan are still underway. Reports are anticipated on the following audit reviews:
- Hired staff budget management      The audits have been delayed due to difficulties in obtaining information from services.
  - IT policy management
  - LEAN review process                      Delayed due to audit resources being allocated to other reviews.
  - Housing Benefits                              The fieldwork has been completed and discussions on the findings are due with the customer. This audit is likely to result in an adequate opinion.
- 3.5 In addition to the reports listed above, reviews or audit involvement have also been undertaken on the following areas.
- The procedures followed for checking and approving requests from suppliers to change their bank account. This work was requested by the Head of Resources following a successful email phishing scam on a supplier, which led to fraudulent bank account change request being acted upon. The review led to the introduction of new procedures which have successfully stopped a similar fraud from occurring. The fraudulent payment has been recovered in full and no losses incurred.
  - The application of the 'fit and proper' test assessment for private hire operators.
  - Investigating a data breach and supporting the disciplinary process that arose from the investigation.
  - Reviewing processes and procedures that had been introduced within the homelessness prevention pilot.
  - Preparing the Local Code of Corporate Governance, 2017/18 annual governance statement (AGS) and reviewing the progress made to deliver the five themes within the AGS.

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

- 3.6 As in previous year's, the audit plan included time to review key controls within a number of key financial systems. Reviews for those controls associated with the T1 financial management system (user access, control account reconciliations, journal review, accounts payable and accounts receivable) were not undertaken for the first three quarters of the 2018/19 financial year. This was due to:
- The launch of T1 on 9 July 2018 and the need for staff to work with it on a daily basis in order to fully understand it.
  - A request from Senior Leadership Team that the work be undertaken in conjunction with the Cambridge City and South Cambridgeshire internal audit team (2C's). Meetings were held and information on potential tests exchanged, but 2C's were not in a position to undertake the work in the timeframe we were looking at.
  - Restrictions on staff time due to competing priorities, both within the service and the audit team, have delayed the process to identify key controls. Subsequently the system walk through to identify key controls was not completed until Qtr. 4.

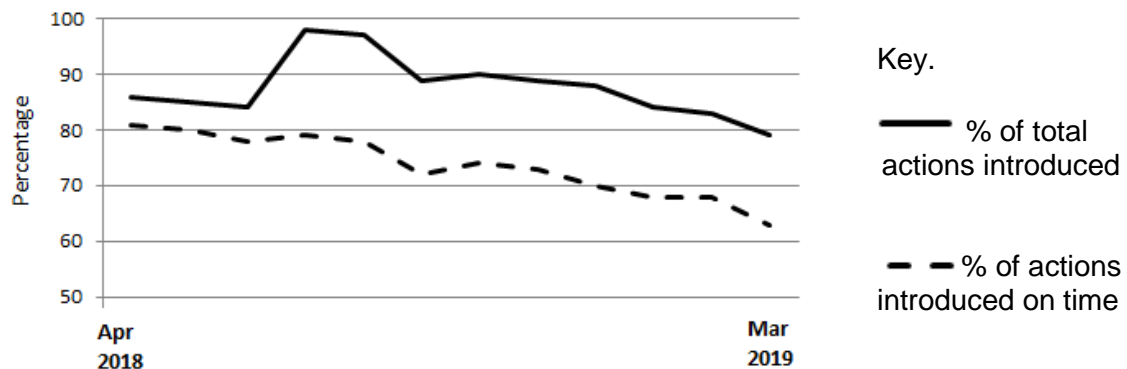
- 3.7 The Qtr. 4 reviews of the T1 key controls are being undertaken and if completed ahead of the Committee meeting an update will be provided. The assurance opinions given on the remaining key financial systems are set out in the table below.

Audit area	Level of assurance				Action type & No.	
	Substantial	Adequate	Limited	Little	Red	Amber
Council tax & non-domestic rates		✓			---	---
Housing Benefits – payments		✓			---	---
– recovery		✓			---	---
Main accounting system	No reviews have been completed					
Accounts payable (Creditors)						
Accounts receivable (Debtors)						

- 3.8 Annex A provides a summary of the main findings from each audit report issued.

#### 4. IMPLEMENTATION OF AGREED ACTIONS

- 4.1 The Corporate Leadership 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 2019 the figure achieved was 79% (55 actions from a total of 87). This increases to 84% (69 actions from a total of 87) 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 43 follow-up reviews have been completed on actions marked as having been fully introduced in the audit actions software (4Audit). 30 have been introduced as agreed with the remaining 13 either being marked as introduced when evidence suggests otherwise, or only being partially introduced. Actions that have been marked incorrectly as being closed are

reopened. In addition, Managers have uploaded evidence to 4Action on a further 29 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 Ten audit reviews had been given 'limited' assurance opinions in previous years. They are listed in the table 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.
- 5.3 In addition to the ten reviews listed below, a draft audit report was issued in April 2018 on the procedures for administering the commercial property estate. No audit opinion was attached to the draft report, although indications were that it would be limited. The Head of Resources has stated that it is not appropriate to progress the audit report as it is the intention to restructure the Estates service. Once that has been completed the findings and 15 provisional findings in the report will be addressed.

Original assurance level	Agreed Action		Audit area	'Potential' level of assurance	Current position
Red Amber					
<b>2014-15</b>					
Limited	1	1	<b>E-payments</b> 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.	Adequate	An audit of PCI-DSS was undertaken in 2018/19. This received an adequate assurance opinion. Whilst PCI-DSS compliance has not yet been achieved, a substantial amount of work has been completed and there is a clear work plan to deliver this.
<b>2016-17</b>					
Limited	1		<b>Safeguarding</b> 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.	Adequate	A follow-up review was completed in April 2019. This found that the action had been introduced and the Governance Board's own action plan delivered.

Original assurance level	Agreed Action		Audit area	'Potential' level of assurance	Current position
Red Amber					
Limited	1		<b>Management of complaints</b> 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.	Limited	The audit action was marked as completed by the Manager in June 2017. Internal audit planned to review the management of complaints to address the 16/17 AGS concerns (and also recorded in the 17/18 AGS) but this audit has not been undertaken. Consequently there is no evidence available to change the assurance level.
<b>2017-18</b>					
Limited	3	3	<b>One Leisure – Bars &amp; catering</b> All of the actions have been closed. However when completing a follow-up review in January 2019 it was found that one amber action relating to agreeing the number of staff on rota for an event had not been introduced.	Adequate	As 5 of the 6 actions have been completed, it is appropriate to amend the assurance level.
Limited	4	4	<b>Maintenance of operational property</b> 3 red and 1 amber action have been introduced. The implementation dates for the remaining actions have not been reached.	Limited	A service restructure is due to commence during 19/20. This is likely to affect delivery of the 4 remaining actions.
Limited	1	6	<b>Refuse &amp; kerbside waste collection</b> All the actions have been introduced.	Adequate	
Limited		18	<b>One Leisure – membership and income</b> 16 of the actions have been introduced. One action has passed its introduction date, the other has not yet reached it.	Adequate	



Original assurance level	Agreed Action	Audit area	'Potential' level of assurance	Current position
Red Amber				
Limited	7	<b>Value for Money - Procurement</b> 5 actions have been introduced. Two have not yet reached their implementation date.	Adequate	
Limited	6	<b>Employee probationary period management</b> Five of the six actions have been introduced.	Adequate	
Limited	1 9	<b>IT Network Security:</b> The network security review covered three areas – intrusion detection, patch & vulnerability management and firewall management. All the actions have been marked as being introduced.	Limited	A specific audit to review progress has been undertaken (Information security healthcheck, see table at 3.7). This found that five of the previously agreed 10 actions had not been adequately addressed.

## 6. INTERNAL AUDIT PERFORMANCE

6.1 Internal Audit maintains a series of internal performance targets. The performance as at 31 March 2019 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 2019 – one response received  
2018 – 100%

Four customers surveys have been issued during the year. Only one response have been received, which rated the overall quality of the review to be 'very good'.

### 6.3 Service delivery targets

	Target	March 2019	March 2018
a) Complete audit fieldwork by the date stated on the audit brief.	75%	Above target 100%	77%
b) Issue draft audit reports within the month stated on the audit brief.	80%	Above target 86%	82%
c) Meet with customer and receive response allowing draft report to progress to final within 15 working days of issuing draft report.	75%	Below target 60%	81%
d) Issue final audit report within 5 working days of receiving full response.	90%	Above target 100%	95%

6.4 In an effort to introduce leaner reporting practices, a number of reports issued during the year were issued as memorandums, rather than formal reports. This meant that in a number of cases draft reports were not issued, and so could not be counted against c) above. Two of the five reports that met category c) were late, hence the 60% figure.

## 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 (as per PSIAS) was required to be completed by March 2019. The IARM however decided not to commission an external review, primarily due to the need to spend time delivering the audit plan rather than dealing with an external assessment. For similar reasons, the action plan prepared from the 2018 self-assessment has also not been delivered.

As reported last year, the main issues identified from the self-assessment (and which remain) 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).

7.2 The Resources restructure that has recently been completed will remove responsibility for both insurance and risk management services from internal audit. The IARM has spent a significant amount of time on insurance matters during 2018/19. It is anticipated that by removing both of the service areas time will become available to deliver the self-assessment and prepare for the external PSIAS review. The IARM does not consider that there are any issues identified in the self-assessment or since, that would result in non-conformance with PSIAS.

**Annex**

- A. Summary of key findings and good practice identified from 2018/19 internal audit reviews.
- B. Definitions used in the report

David Harwood : Internal Audit & Risk Manager  
Huntingdonshire District Council  
May 2019

## Summary of key findings and good practice identified from 2018/19 Internal Audit reviews

### Substantial assurance

#### **Payroll**

Key findings      The review established that there is a robust control framework in place, with a high level of compliance.

#### **Council Anywhere \*\***

Key findings      

- There is no evidence of formal approval of the business case for the ICT Service.
- Training was rolled out on an application-by-application basis as the project progressed, however training needs were not assessed during the pre-project planning cycle which led to reactive planning.
- Appropriate responsibility was not delegated to respective Executive Leads representing the individual Councils to ensure the decision-making process was efficiently run.

Good practice      

- Staff inclusion and user focus in developing the project has been amply demonstrated through 'Art of Possible' Workshops and Outcomes.
- The use of Champion Sessions and developing local champions across all sites has assisted communication and local embedding of the project in a co-ordinated manner having regards to the different cultures of each Council.
- The process for identifying the software applications and hardware to be used to deliver the project was based on using established IT procurement guidance set by the National Cyber Security Commission.
- User acceptance testing was performed for each of the installed applications: Skype for Business and Microsoft Outlook.
- Network security and data loss prevention controls are being deployed.
- A phased approach to staff training as the project was being rolled out at each Council. This included workshops, drop-in sessions and also guides published on the intranet.

### Adequate assurance

#### **Freedom of Information**

Key findings      

- Staff guidance does not provide information on all aspects of the Fol process (including identification and handling; redaction; exemptions; vexatious requests; fees and hours; checking for previous requests).
- The ICT data quality template for documenting the Fol performance measures has not been completed
- Fol training has not been made mandatory for all staff or included in PDRs.
- The Corporate Retention and Records Management Policy is due an update and reissue.

Good practice      The process for handling Fol is strong and well managed. Fol requests submitted are consistently being dealt with in the statutory 20 days. Many areas of strength were noted during the audit including:

- The Team have identified areas for improvement in the Fol case management system and had already taken steps to arrange for the supplier to incorporate these into a new upgrade
- Fol co-ordinator 'champions' had been established within service areas.
- Reminders are sent to both co-ordinators and managers to ensure action is progressed and missed targets minimised.

## Summary of key findings and good practice identified from 2018/19 Internal Audit reviews

### **New mobile phones – procurement & roll-out**

- |               |   |
|---------------|---|
| Key findings  | <ul style="list-style-type: none"> <li>• Arrangements for the review of bills have not been formalised</li> <li>• Mobile phone policies require review and update</li> </ul>  |
| Good practice | <p>3C IT staff have worked hard on a lengthy and complex project to ensure the smooth delivery of handsets to officers across the 3Cs.. Feedback from service users indicates that they have been happy with the transition to the new provider and are satisfied with the new phones. Project management has been robust and officers are aware of and continually report to the relevant boards on progress and issues.</p> |

### **PCI-DSS \*\***

- |               |   |
|---------------|---|
| Key findings  | <ul style="list-style-type: none"> <li>• The project is not complete as per the planned completion date.</li> <li>• A process to assess the training requirement for all members of staff has not been established.</li> <li>• A strategic policy for PCI DSS has not been put in place and agreed.</li> </ul>  |
| Good practice | <ul style="list-style-type: none"> <li>• A gap analysis was carried out by a consultant in November 2017 that provided useful information on data flows for different methods of payments processing, and guidance on what could be in scope for PCI DSS.</li> <li>• The project initiation document was prepared in January 2018 which clearly outlined the scope of the project to justify the need and to support the decision for the PCI DSS project.</li> <li>• A Project Board has been established as a strategic management body.</li> <li>• Progress highlight reports are sent to the Project Manager on a weekly basis to summarise activities completed in the week, the following week's activities in order to track against the project plans milestones and in depth risks and issues identified.</li> <li>• Detailed progress reports are prepared and circulated to the Project Board on a monthly basis.</li> </ul> |

### **Protocol IT policy system management \*\***

- |               |   |
|---------------|---|
| Key findings  | <ul style="list-style-type: none"> <li>• The Council's IT related policies have not been rolled out to staff or published on the 3C intranet.</li> <li>• No awareness raising programme has been established for all members of staff.</li> </ul>   |
| Good practice | <ul style="list-style-type: none"> <li>• The 23 information policies meet the minimum standards set out within ISO 27001, Payment Card Industry, Public Services Network and Data protection standards.</li> <li>• The Council has a plan to review all the policies at the Information Governance Board on an annual basis.</li> </ul> |

### **Limited assurance**

#### **IT disaster recovery**

- |              |  |
|--------------|--|
| Key findings | <ul style="list-style-type: none"> <li>• The risks of disruption to the ICT Shared Service and the impacts of such a disruption have not been identified and assessed.</li> <li>• The recovery time and recovery point objectives for critical IT infrastructure and the new data centres have not been defined.</li> <li>• The Council's IT disaster recovery procedures do not include the server consolidation nor are there defined technical recovery plans in place for</li> </ul> |
|--------------|--|

## Summary of key findings and good practice identified from 2018/19 Internal Audit reviews

critical IT infrastructure and systems.

- The IT disaster recovery procedures have not been formally tested and there are no arrangements for testing the procedures on a routine basis.
- There are no documented backup and recovery procedures in place, including a defined schedule for testing backups for recoverability on a routine basis.

Good practice

- The roles and responsibilities for managing the response to a disaster have been defined.
- There are defined procedures for identifying, assessing and escalating potential incidents.
- Resilience has been incorporated into the design and configuration of the IT network.

### Information security healthcheck \*\*

Key findings

- The actions required to address seven of the 15 findings raised in the 2016/17 and 2017/18 audits have not been fully completed or are not satisfactory to address the risks identified.
- Whilst an action plan is in place for remediating the issues identified in the PSN Code of Connection IT Health Check, it was found that a number of actions are overdue and have not yet been completed.

Good practice

- The Council has undertaken a PSN Code of Connection IT Health Check in March 2018, which was performed by NTA Monitor Ltd, and has put in place arrangements for the Health Check to be performed on an annual basis.
- Changes to the Council's firewall rules now require a formal change request to be raised and approved by a Change Advisory Board and a record of changes is maintained
- Resilience has been incorporate into the design and configuration of the IT network.

### Land charges\*\*

Key findings

- It is not clear if the costs attributed against the land charges budget are complete and accurate as they could not be verified.
- Support cost fees are not clear.
- The spreadsheet used to calculate costs and fees is not supported by any guidance or procedure notes and is difficult to understand or interpret.

### No opinion given

#### Small works contracts

Key findings

- After undertaking some preliminary work (speaking to staff who regularly use the contract, reviewing the contract and a sample of paid invoices) it was clear that staff are aware of a number of issues with the contract and further work would add little value.
- Since the redundancy of engineering staff who initially set-up the contract the Council has no staff who are qualified or experienced in assessing and challenging the work carried out. Removing the Projects and Assets team has resulted in a loss of knowledge / expertise in managing the contract and in supporting services with work requests, pricing and inspections. Review of invoices submitted via the Project and Assets team revealed a clearer breakdown of costs in terms of labour, plant and materials,

## Summary of key findings and good practice identified from 2018/19 Internal Audit reviews

supported by work instructions, and demonstrating clear involvement from the team in liaising with contractors and organising works on behalf of services.

- The contract was let in 2016 for one year with the option to extend for two further one year terms. This is operating in practice although no formal contract extensions have been confirmed in writing. The contract is due to expire in March 2019, and needs to be retendered to comply with the Code of Procurement.
- There is little checking of quoted prices or checking/inspecting works against invoices prior to approval. Staff use their professional judgement to evaluate whether the cost of work undertaken is appropriate.
- Billing for jobs is not timely. Invoices are generally submitted by the contractor in bulk which can impact on budget forecasting, accruals and the ability to inspect works on a timely basis.
- Invoices submitted do not split out costs in accordance with the contract price list, instead show a single line amount, which makes it difficult for staff to compare rates to those quoted in the contract and ensure that they are getting best value.

### Management of historic debt

**Key findings** The Council's policy of prompt referral and the expectation of prompt action is not being delivered. The audit concentrated on historic debt, but concerns remain that until changes to the debt recovery process are introduced any new debts referred to 3C Legal may not be recovered promptly.

- 3C Legal are not recovering debt routinely as capacity issues prevent this.
- No performance management information or monitoring of the current position is taking place.
- 3C Legal are holding debt information in two separate systems. Some cases are also not fully recorded and details can only be gained by reference to the paper file.
- Some debts are out of time and are not recoverable. Without a change in process, future debts referred to 3C Legal may also become out of time.
- 3C Legal have no policy/written procedures in place that sets out the timescale or action that will be taken on debts referred.
- The Council has wasted money and resources securing judgment but then not undertaking recovery action.

### Statutory licence fees

**Key findings** This review was undertaken to confirm that all relevant and associated costs with statutory licensing are identified and recovered.

- In previous years all recharges and costs were charged through the Licensing cost centre. Costs are now held in several places requiring the Licensing Manager to collate these in order to arrive at the total cost.

### Main financial system

#### Council Tax & Non Domestic Rates

The controls are operating as expected and all the necessary reports and checks have been produced and undertaken. There are no actions arising.

**Summary of key findings and good practice identified  
from 2018/19 Internal Audit reviews**

**Housing Benefit – Accounts Payable and Receivable**

The controls were generally found to be operating as expected and as such there is no need to make any formal recommendations.



## 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 – 12 June 2019  
**Executive Portfolio:** Strategic Resources: Councillor J A Gray  
**Report by:** Internal Audit & Risk Manager  
**Wards affected:** All Wards

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### **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 2018/19 is attached at Appendix 1. It has been prepared by the Internal Audit & Risk Manager. It summarises the work undertaken by the Committee during 2018/19 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 2019**

DRAFT



## **Introduction by the Chairman of the Corporate Governance Committee**

This report summarises both the Committee's activities undertaken during 2018/19 and issues that relate to that financial year. It is intended to:

- reassure the Council and other stakeholders that it is undertaking its responsibilities and obligations properly and in a way that allows it to provide effective oversight; and
- demonstrate to the Districts resident's and other stakeholders the importance the Council places on good governance and the contribution the Committee makes to achieving that aim. The Committee's meetings are open to the public and its reports are available on the Council's webpages and I welcome the public's attendance at our meetings.

Last year's report was my first as Chairman of the Committee. In my introduction to that report I set out five issues that I wanted the Committee to focus upon.

1. Maintain awareness of the progress being made against the issues identified in the 2017/18 annual governance statement
2. Understand why the replacement financial management system was not delivered on time and what lessons can be learnt for the future
3. Receive assurance that business continuity plans are in place, especially in those service areas that are supporting the Council's commercialisation agenda
4. Review the controls in place to rebut a cyber-security attack
5. A continued increase in the percentage of internal audit actions introduced on time

It is disappointing that apart from items 1 and 5, little oversight has been exercised by the Committee in the other three areas.

### **Additional text**

Finally I'd like to thank all the Members who served on the Committee during the 2018/19 municipal year and for the contributions they made to challenging and improving governance arrangements. I also want to thank those Officers who have supported the Committee.

Councillor M. McGuire  
Chairman, Corporate Governance Committee

June 2019

## **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**

No training has been provided to the Committee since it was appointed by Council in May 2018.

A skills and training needs assessment form was circulated to all Committee members but was completed by only three Members. This was insufficient to allow training needs to be identified.

Similarly the Committee has not completed a self-assessment during the year to consider its own effectiveness or identify areas for improvement.

## Matters considered

The table below groups into six categories the significant issues considered by the Committee during 2018/19. A brief summary of the issues considered within each of the categories is included on the following pages.

	2018 June	July	Oct	2019 Jan	Mar
<b>1 Constitution</b>					
Recommend to Council:					
Process for appointing Assistant Cabinet Members		■			
A mechanism for decisions to be taken by the Council as Shareholder of its Local Authority Trading Company, HDC Ventures Limited.		■			
Changes to Code of Procurement					■
<b>2 Governance issues</b>					
Local Code of Corporate Governance & annual governance statement (AGS)	■	■		■	
Governance Board effectiveness reviews			■		
Annual reports: Complaints			■		
: Freedom of Information				■	
<b>3 External Audit (EA) &amp; financial reporting</b>					
Approve 2017/18 annual financial report and AGS		■			
Receive EA annual audit letter & grant certification 2017/18			■		■
Review EA 2018/19 audit plan				■	
<b>4 Internal Audit</b>					
Annual report 2017/18	■				
Approve 2018/19 audit plan & review progress to date		■	■	■	
Implementation of agreed actions		■			
Approve 2019/20 audit plan					■
<b>5 Standards</b>					
Member code of conduct / register of pecuniary interests / complaints	■		■	■	■
<b>6 Fraud</b>					
Fraud Investigation Activity 2017/18	■				
Approved whistleblowing policy & noted concerns received	■				
Risk Based Verification policy	■				
Review of Regulation of Investigatory Powers Act Policy	■				



## ***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.

The Cabinet at their meeting on 21st June 2018 approved the creation of Assistant Cabinet Members who would to be appointed as non-executive members to support Cabinet Members in carrying out their role. After debate, the Committee resolved to recommend to Council that the necessary variation be made to the Constitution.

The Council is the sole shareholder of HDC Ventures Ltd. The day-to-day operation of the company is the responsibility of its Directors. To provide a link between the Directors and the Council, the Council has appointed a Shareholder Representative. The Constitution required amending to reflect this change and terms of reference for the Shareholder Representative were considered by the Committee. Amendments were proposed in two areas, both of which were approved by Council.

## ***Governance of the Council***

**Approving the Local Code of Corporate Governance.**

At the June 2018 meeting the Committee approved the Local Code of Corporate Governance. The Local Code sets out the processes and procedures which taken together support the Council's governance processes.

**Approving the Annual Governance Statement on behalf of the Council.**

At the July 2018 meeting, the Committee approved the 2017/18 [Annual Governance Statement](#) (AGS). The AGS has traditionally been inward looking, focussed on improvements to governance arrangements that had been identified from the review of the Local Code.

**Five significant themes included in 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 themes 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 received a detailed update on the progress that had been made against each theme at its January 2019 meeting.

### **Governance Boards**

A series of Officer led Governance Boards were established by the Managing Director in 2015 to review internal governance across all Council services. Boards have been both established and dissolved since that date as governance needs have changed. Four Boards were in place at the time of the review, October 2018. The Head of Resources having reviewed their operation considered the current Boards were effectively challenging the Council's process and practices, although not explicitly tackling the themes identified in the 2017/18 Annual Governance Statement. Committee expressed concerns about this, specifically the Finance & Procurement Boards oversight of the commercial investment strategy, and requested an update report, which is still awaited.

### **Complaints**

The Committee receives an annual report on the outcome of any complaints referred to the Local Government Ombudsman as well as complaints that had been dealt with under the Council's own procedures. After discussing the benefits of providing more details within the report of individual complaints, it was decided that Members should contact the Corporate Team Manager if they required further information. It was agreed the future reports should include any key lessons learnt from complaint resolutions as well as a summary of complaint themes.

### ***External Audit matters***

#### **Approving the 2017/18 annual financial report.**

The 2017/18 financial report was externally audited and approved prior to the statutory deadline of 31 July 2018. The external auditors issued both an unqualified value for money and financial statement opinion.

#### **Housing Benefit grant certification**

The Council received over £32.8m of Housing Benefit grant during 2017/18 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 (£169) which were not material in the context of the overall grant.

## **Internal audit**

### **Adequate assurance opinion.**

*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 internal control provide adequate assurance over key business processes and financial systems.*

The Committee noted that the 2017/18 adequate assurance opinion was unchanged from 2016/17.

There have been two substantial assurance, 16 adequate assurance and 10 limited assurance internal audit reports issued in 2017/18. As a consequence of subsequent action taken by Managers or wider risk mitigation considerations there were no areas of concern within these reviews that the Internal Audit & Risk Manager felt needed to be brought to the attention of the Committee.

### **Approving the internal audit work plan and Internal Audit Charter.**

The internal audit plan has historically been approved prior to the start of the financial year. The Internal Audit & Risk Manager discussed proposals with the Committee to move away from annual plans and instead introduce quarterly plans. This change was intended to allow internal audit to respond quickly to changing needs, and so ensure the plan stays focused on current or future risks and consider their impact on the delivery of Corporate and Service Plan aims and objectives. The Committee agreed to this approach being trialled in 2018/19.

As a consequence of the Committee receiving information on the audit plan on a more frequent basis, they also gained better oversight as to its delivery, progress made and findings from individual audit reports.

In January 2019 when considering the approach to be followed for 2019/20 the Committee agreed with the Internal Audit & Risk Manager that quarterly planning was not providing the advantages that were envisaged and agreed that the 2019/20 plan should be prepared on a half year basis.

Whilst not consulted directly, the Committee were informed that as a result of the Resources restructure, additional resource was to be allocated to the internal audit service. Responsibility for insurance and risk management services was also to be transferred away from internal audit and so make further time available for internal audit delivery. This is welcomed.

## **Standards**

### **Ensuring good standards are maintained throughout the District.**

The Committee has received four 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) 2017/18 annual report**

The Committee remain strong supporters of the CFT and were pleased to see that they had identified over £270k of fraud across a number of service areas. The CFT had also successfully used for the first time the Proceeds of Crime Act to obtain a confiscation order against one fraudster.

### **Review of Regulation of Investigatory Powers Act Policy (RIPA)**

The Committee approved updates to the RIPA policy. The policy was amended as a result of recommendations contained within a report issued by the Investigatory Powers Commissioner's office in January 2018 that examined the Council's use of RIPA. The Committee amended the policy so that all future updates would require its approval.

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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:

- 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.
- Considering the progress made by managers to introduce agreed internal audit actions on time.
- Recommending to Council changes to the Code of Procurement.

## Committee membership & attendance

		2018			2019		
		June	July	Oct	Jan	Mar	
Chairman	Cllr M McGuire	■	■	■	■	■	
Vice-Chairman	Cllr P L R Gaskin,	■	--	■	■	■	
	Cllr Mrs M L Beutell	■					
	Cllr E R Butler	--	■	--	■	■	
	Cllr J W Davies	--					
	Cllr D Giles	■	■	■	■	■	
	Cllr P Kadewere	■	--	■	■	--	
	Cllr H V Masson	■	■	■	■	■	
	Cllr J P Mead,	--	■	■	--	■	
	Cllr J P Morris	--	--	■	--	--	
	Cllr Mrs S Smith	■	--	■	--	■	
	Cllr D R Underwood	■	■	--	■	■	
	Cllr D J Wells			■	--	■	
	Cllr J White			■	■	--	
Key:		■ attended	-- absent				Not a Cttee Member

The following appointments were made to the Committee by the Council.

23 May 2018 Councillors Mrs M L Beutell, E R Butler, J W Davies, P L R Gaskin, D A Giles, P Kadewere, H V Masson, M McGuire, J P Mead, J P Morris, Mrs S Smith and D R Underwood.

27 June 2018 Councillors DJ Wells, J White appointed in place of Councillors Mrs M L Beutell and J W Davies.

**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:

<b>Constitution</b>	Considering proposals to change the Council's Constitutional arrangements and making appropriate recommendations to the Council.
<b>Governance</b>	<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>
<b>Internal and External Audit</b>	<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>
<b>Final Accounts</b>	Approving the accounting policies, statement of accounts and considering any matters arising from the external audit.
<b>Countering Fraud</b>	<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>
<b>Standards</b>	<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.

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**CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT**

<b>Committee</b>	<b>Decisions</b>	<b>Date for Action</b>	<b>Action Taken</b>	<b>Officer Responsible</b>	<b>Delete from future list</b>
12/07/2017	<p><b><u>Biennial Review of Thresholds – Disposals and Acquisitions Policy</u></b></p> <p>Policy endorsed. Further review to take place in 24 months.</p>	25/07/2019	Review to be undertaken in 2019.	Head of Resources	No
10/10/2018	<p><b><u>Annual Complaints Report 2018</u></b></p> <p>Consideration of content of future reports be given to include any key lessons learnt from complaint resolutions as well as a summary of complaint themes.</p>	02/10/2019	These will be added to the next annual report for the period April 2018 and March 2019.	Corporate Team Manager	No
10/10/2018	<p><b><u>Governance Boards – Effectiveness Review</u></b></p> <p>Update report required.</p> <p>i. The Corporate Governance Committee notes that the Finance and Procurement Governance Board has not devoted sufficient time to the governance of the Commercial Investment Strategy and therefore requires an update to be reported to the Committee in six months; and</p>	12/06/2019	The Finance and Procurement Governance Board reviewed the governance of the Commercial Investment Strategy at its December 2018 meeting. The Board was satisfied that effective governance was in place, through the Treasury and Capital Management Group and the approval process for the acquisition and disposals of capital assets through the Cabinet process. The Governance Board would however, ensure continued monitoring of the Commercial Investment Strategy	Head of Development	Yes

**CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT**

Committee	Decisions	Date for Action	Action Taken	Officer Responsible	Delete from future list
	ii. that any exception reports by the Head of Resources be presented to the Corporate Governance Committee.		through its programme of meetings.		