

# HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in the COMMITTEE SUITE, BURGESS HALL, ONE LEISURE, WESTWOOD ROAD, ST IVES, PE27 6WU on Wednesday, 27 April 2022

PRESENT: Councillor G J Bull – Chairman.

Councillors E R Butler, Dr P L R Gaskin, K P Gulson, P Kadewere, R J West and Mrs S R Wilson.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors D A Giles, H V Masson, L W McGuire and J P Morris.

IN ATTENDANCE: Councillor D Keane.

## 44 MINUTES

The Minutes of the meeting of the Committee held on 26th January 2022 were approved as a correct record and signed by the Chairman.

## 45 MEMBERS' INTERESTS

No declarations were received.

## 46 APPROVAL FOR PUBLICATION OF THE 2020/21 ANNUAL FINANCIAL REPORT

*Mr A Paylor and Mr M Hodgson of Ernst & Young, were in attendance for this item.*

*At 7:19pm, during discussion on this item, Councillor P Kadewere took his seat at the meeting.*

With the aid of a report by the Chief Finance Officer (a copy of which is appended in the Minute Book) the Committee were informed of the progress for finalising and publishing the Council's Annual Governance Statement (AGS) and Annual Finance Report (AFR) for 2020/21.

Having welcomed Mr A Paylor and Mr M Hodgson of Ernst & Young to the meeting, the Chairman placed on record his disappointment over the delays experienced with the external audit despite the assurances which had been delivered to the Committee at its January 2022 meeting that this work would be completed by 30th March 2022.

Following a brief introduction by the Chief Finance Officer on the process required to complete and finalise the accounts and having been informed that a satisfactory conclusion with the external auditors had now been reached, Mr M

Hodgson was then invited to present the final Audit Results Report which summarised the audit conclusions.

Mr M Hodgson began by acknowledging the delays which had been experienced explaining that this was attributable to factors beyond his control which contributed to the challenge he faced in diverting sufficient resources to complete the Council's audit. Despite the delay however, he was pleased to report that a good audit had been completed. Whilst the report indicated that work to complete Significant Contract Testing was still outstanding, the Committee were informed that this was now complete with no issues arising. He then went on to explain in detail the audit differences which had been identified relating to uncorrected, corrected and disclosure differences. Members attention was then drawn to the Letter of Representation, an issue relating to Infrastructure Assets which had now been resolved, changes made to the Annual Governance Statement resulting in the removal of significant governance issues and an accounting issue relating to the return of third party related forms from Members. In his concluding remarks, Mr M Hodgson reported that the audit findings had not identified any risks of significant weaknesses in the Council's arrangements for value for money which was pleasing to note. Finally, Mr M Hodgson extended his thanks and appreciation to the Finance Team for assisting with the audit.

Having been informed that the audit for next year had been scheduled on the same basis as the current year, the Committee expressed some disquiet over the potential impact this would have and made comment that resultant delays with completing the audit might be experienced again owing to the shortcomings of other authorities. In discussing the timing of the audit, the Senior Finance Business Partner & Deputy Section 151 Officer reported that the February timescale worked well for the Finance Team.

Other matters that were discussed included the length of time taken to complete the audit which originally was planned for completion within 6 weeks but took 14 weeks and the rationale used by the external auditors in scheduling local authority audits.

Having extended their thanks and appreciation to Officers and the Finance Team for their hard work in preparing the final accounts and in receiving assurances that an unqualified audit opinion would be formally delivered by the auditors the next morning, it was

## RESOLVED

- (a) that the Auditor's Results Report as attached as Annex A of the report now submitted be received and noted;
- (b) that the Annual Governance Statement as attached as Annex B of the report now submitted be approved and the Executive Leader and Managing Director be authorised to sign the Statement on behalf of the Council;
- (c) that the Letter of Representation as attached as Annex C of the report now submitted be approved and the Chief Finance Officer (as Section 151 Officer) be authorised to sign it on behalf of the Council; and

(d) that, subject to the auditors confirming an unqualified opinion on the Annual Financial Report 2020/21, delegated powers be given to the Chairman of the Committee and Chief Finance Officer (as Section 151 Officer) to authorise and sign the Annual Financial Report, as attached as Annex D of the report now submitted, on behalf of the Council.

#### **47 CODE OF CONDUCT COMPLAINTS - UPDATE**

By means of a report by the Elections & Democratic Services Manager & Deputy Monitoring Officer (a copy of which is appended in the Minute Book) the Committee were provided with 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 previous meeting.

In noting the cases outlined in paragraph 3.1 of the report and having received clarification that the complaint relating to Old Weston Parish Council related to one Parish Councillor, it was

RESOLVED

that the progress of outstanding complaints and the conclusion of cases resolved since the meeting in January 2022 be noted.

#### **48 ANNUAL REPORT ON HDC COMPLIANCE WITH FREEDOM OF INFORMATION (FOI) & ENVIRONMENTAL INFORMATION REGULATIONS (EIR) ACTS**

With the aid of a report prepared by the Information Governance Manager & Data Protection Officer (a copy of which is appended in the Minute Book) the Committee received the annual report on the Council's compliance with the Freedom of Information (FOI) Act 2000 and Environmental Information Regulations 2004 and the UK General Data Protection Regulation Act 2018. Information was also received on the Council's performance with regards to protecting personal data over the period January to December 2021.

Following an introduction by the Deputy Data Protection Officer, the Committee's attention was drawn to the work undertaken by the Information Governance Team in respect of data protection compliance. The Committee noted the progress of the improvement areas identified in paragraph 5.2 of the report which would be included in the Information Governance Team's forward plan for 2022/23 and noted the reasons why limited progress had been made with the previous plan as outlined in paragraph 5.3 of the report.

The Deputy Data Protection Officer then went on to report there had been a drop in the number of FOI requests received by the Council when compared to the previous year at 460 and 534 respectively, which represented a 14% decrease. The Council worked to a target of 90% response compliance within 20 days, with performance levels being reported as 81% in 2021 which reflected an improvement to the previous year's performance of 77%. Having had their attention drawn to the number of cases per service, it was noted that a majority of requests received related to services falling under the Chief Operating Officer's remit and Community Services. Attention was then drawn to the number of requests by outcome where it was reported that 63% of cases had been

concluded with all the relevant information required. Of the 460 cases, four internal reviews/complaints had been received and six had been referred to the Information Commissioner's Office for further investigation. Over the reporting period there had been 25 Subject Access Requests and 1 Subject Access Related complaint. Finally, the Committee received details of personal data breaches where it was noted that 17 incidents had occurred within the reporting period.

Other matters that were discussed included the requirement for all staff and elected Members to complete Information Governance training, the reasons why there had been a lack of consistency in the role of the Data Protection Officer/Information Governance Manager in the last 5 years and the importance of ensuring sufficient information was available to members of the public as a means of preventing a high number of requests being received by the team. In terms of the former, it was reported that Member training would be picked up as part of the Council's Member Induction and Training Programme. Members of the Committee placed on record their preference for this training to be completed as a face to face event. Having regard to the latter, the Managing Director reported that plans were underway to review the ease of navigation around the Council's website and that some work should be undertaken to review the data relating to outcomes by case which were impacting upon the Information Governance Team's time. Whereupon, it was

**RESOLVED**

that the contents of the report now submitted be noted.

#### **49 INTERNAL AUDIT PLAN 2022/23 & INTERNAL AUDIT CHARTER**

With the aid of a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) the Committee gave consideration to the Internal Audit Plan for 2022/23 and proposed changes to the Internal Audit Charter 2022.

In introducing the report, the Internal Audit Manager drew attention to Appendix 2 of the report which outlined the proposed audit areas for 2022/23. A risk based approach would continue to be adopted for this year's plan to enable flexibility as any new or high priority risk areas emerged during the course of the year. Audit areas had been identified by type; namely financial, operational, contract, governance or project work. The plan also included a number of other areas for consideration which would act as a reserve if priorities changed and/or capacity was available within the team. Attention was also drawn to the various other internal audit activities required to be undertaken by the team which would not be used to support the annual audit opinion.

Matters that were discussed included the meaning of the word "future focused", the Council's risk management function which complemented the work of the Internal Audit Team and the importance of the Plan in assuring the Committee of the robust measures in place for the Council's internal control, governance and risk management practices. In response to questions concerning the level of resources available within the Internal Audit Team, the Managing Director responded by informing the Committee of the ongoing challenge to balance the delivery of front line public services whilst also providing sufficient back office support across all service areas.

In noting that only minor changes had been made to the Internal Audit Charter, the Committee

**RESOLVED**

- (a) to approve the Internal Audit Plan for 2022/23 as submitted as Appendix 1 of the report;
- (b) to agree that changes can be made to the Internal Audit Plan following consultations between the Internal Audit Manager and Section 151 Officer and the Chairman of the Corporate Governance Committee; and
- (c) to approve the Internal Audit Charter 2022 as submitted as Appendix 2 of the report.

**50 IMPLEMENTATION OF INTERNAL AUDIT ACTIONS**

With the aid of a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) the Committee were updated on the implementation of internal audit actions.

The latest data now revealed 40% of actions being introduced (including those with late implementation) and 38 overdue audit actions remained outstanding. It was further reported that 32 actions had not been implemented. Having had their attention drawn to Appendix 2 of the report which provided a full overview of overdue audit actions, the Internal Audit Manager advised that audit owners were now being asked to provide commentary themselves. Reasons for the reported delays in implementation continued to relate to time pressures, resources and priorities.

Having been advised that the Council's Senior Leadership Team considered this report on a monthly basis, the Managing Director advised that Service Managers were encouraged to proactively engage with the Internal Audit Team and delivered assurances that "red" actions were kept under review.

Matters that were discussed included IT related audit actions which had been delayed owing to complications around the impact of jointly procuring systems with partner authorities and the need to reposition the perception of the Internal Audit Team within the organisation more positively across the Council.

**RESOLVED**

that the content of the report now submitted be received and noted.

**51 APPROVAL FOR PUBLICATION OF THE 2020/21 ANNUAL GOVERNANCE STATEMENT**

A report by the Internal Audit Manager was submitted (a copy of which is appended in the Minute Book) outlining an amendment which had been made to the previously adopted Annual Governance Statement 2020/21.

In noting that minor amendments had been made to include an internal audit report and governance issue in respect of Contractor Management and an alternative heading of “Other Governance Issues We Have Identified”, it was

RESOLVED

that the amendments to the Annual Governance Statement as outlined in Appendix A of the report now submitted be approved and that the Executive Leader and Managing Director be authorised to sign the Annual Governance Statement on behalf of the Council.

## **52 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 any decisions taken at previous meetings.

In doing so, the Democratic Services Officer announced that the Procurement Lead would now be providing data in relation to the use of the Code of Procurement Waiver Procedure for inclusion in the Committee’s progress report ahead of each meeting.

In respect of Related Party Transactions, the Chairman reported upon the difficulties the Finance Team were experiencing in receiving a return from Members and the impact this was having upon the formal process of closing the accounts. The Senior Finance Business Partner reported that this problem was not uncommon amongst other authorities and that her previous authority listed individual Members that failed to complete their returns. The Managing Director reported that there was an opportunity to catch re-elected Councillors at the Member Sign In event in May 2022.

## **53 VOTE OF THANKS**

At the conclusion of the meeting, Councillor R J West paid tribute to those Members of the Committee that would not be standing for re-election in May 2022; namely Councillors J C Cooper-Marsh, Dr P L R Gaskin, D A Giles, H V Masson, J P Morris and Mrs S R Wilson. Personal thanks were also extended to the Chairman who also would not be standing again this year. The Committee concurred with the sentiments which had been made in respect of the leadership, time, effort and commitment given by the Chairman in his various roles over the years as a District Councillor.

In turn, the Chairman conveyed his thanks to all Members for their work on the Committee, making particular reference to Councillor Dr P L R Gaskin as Vice-Chairman. He then went on to extend his thanks to all Officers who helped and supported him at the Council.

Chairman