



A meeting of the **CORPORATE GOVERNANCE COMMITTEE** will be held in the **CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN** on **WEDNESDAY, 12 JULY 2023** at **7:00 PM** and you are requested to attend for the transaction of the following business:-

AGENDA

APOLOGIES

Contact Officer:

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

To approve as a correct record the Minutes of the meeting of the Committee held on 30th May 2023.

Contact Officer: Democratic Services - (01480) 388169

2. **MEMBERS' INTERESTS**

To receive from Members declarations as to disclosable pecuniary, other registerable and non-registerable interests in relation to any Agenda item. See Notes below.

Contact Officer: Democratic Services - (01480) 388169

3. **CODE OF CONDUCT COMPLAINTS - UPDATE** (Pages 11 - 14)

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.

Contact Officer: L Jablonska - (01480) 388004

4. **UPDATE ON CODE OF CONDUCT AND REGISTER OF DISCLOSABLE PECUNIARY INTERESTS** (Pages 15 - 22)

To consider a report by the Elections and Democratic Services Manager on the Code of Conduct and Register of Disclosable Pecuniary Interests.

Contact Officer: S Rees - (01480) 388738

5. DRAFT 2022/23 ANNUAL FINANCIAL REPORT AND APPROVAL FOR PUBLICATION OF THE ANNUAL GOVERNANCE STATEMENT

A receive a verbal update on the Draft 2022/23 Annual Financial Report and Approval for Publication of the Annual Governance Statement.

Contact Officer: K Sutton/S Russell-Surtees/D Moss - (01480) 387072/ 388524/ 388475

6. ANNUAL REVIEW OF FRAUD INVESTIGATION ACTIVITY (Pages 23 - 28)

To consider a report by the Corporate Fraud Manager containing a summary of the activity of the Council's Corporate Fraud Team in 2022/23.

Contact Officer: L Martin - (01480) 388861

7. PEER REVIEW: ACTION PLAN

To receive and update on the Peer Review Action Plan. (TO FOLLOW)

Contact Officer: K Sutton - (01480) 387072

8. ANNUAL REPORT OF THE CORPORATE GOVERNANCE COMMITTEE (Pages 29 - 44)

To consider the Annual Report to Council in respect of the year ending March 2023 on the work that has been undertaken by the Corporate Governance Committee.

Contact Officer: D Moss - (01480) 388475

9. INTERNAL AUDIT SERVICE: ANNUAL REPORT 2022/23 (Pages 45 - 66)

To receive a report from the Internal Audit Manager outlining the Internal Audit Service Annual Report 2022/23.

Contact Officer: D Moss - (01480) 388475

10. INTERNAL AUDIT PLAN 2023/24

To recommend to the Committee that the Internal Audit (IA) Plan for 2023/24 be approved. (TO FOLLOW)

Contact Officer: D Moss - (01480) 388475

11. WHISTLEBLOWING (POLICY, GUIDANCE AND CONCERNS RECEIVED) (Pages 67 - 78)

To consider a report by the Internal Audit 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 2023.

Contact Officer: D Moss - (01480) 388475

12. IMPLEMENTATION OF INTERNAL AUDIT ACTIONS (Pages 79 - 82)

To receive a report from the Internal Audit Manager providing an update on the implementation of audit actions.

Contact Officer: D Moss - (01480) 388475

13. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT
(Pages 83 - 84)

To receive the Corporate Governance Committee Progress Report.

Contact Officer: Democratic Services - (01480) 388169

14. EXCLUSION OF 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.

Contact Officer:

15. ANNUAL REVIEW OF BENEFITS RISK BASED VERIFICATION POLICY
(Pages 85 - 100)

To consider a report by the Revenue and Benefits Manager on the Benefits Risk Based Verification Policy.

Contact Officer: K Kelly - (01480) 388388

12 day of July 2023

Oliver Morley

Head of Paid Service

Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests.

Further information on [Disclosable Pecuniary Interests and other Registerable and Non-Registerable Interests is available in the Council's Constitution](#)

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The District Council also permits filming, recording and the taking of photographs at its meetings that are open to the public. Arrangements for these activities should operate in accordance with [guidelines](#) agreed by the Council.

Please contact Democratic Services, Tel: (01480) 388169 / email: Democratic.Services@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](#).

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 the CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN on Tuesday, 30 May 2023

PRESENT: Councillor N Wells – Chair.

Councillors A M Blackwell, E R Butler, J A Gray, J E Harvey, P J Hodgson-Jones, S A Howell, A R Jennings, P Kadewere, T D Sanderson and I P Taylor.

APOLOGY: An Apology for absence from the meeting was submitted on behalf of Councillor J Clarke.

IN ATTENDANCE: Councillor M A Hassall.

4 MINUTES

The Chair welcomed Councillor A R Jennings to his first meeting of the Committee.

The Minutes of the meetings of the Committee held on 26th April and 17th May 2023 were approved as a correct record and signed by the Chair.

5 MEMBERS' INTERESTS

No declarations were received.

6 2022/23 OUTTURN REPORT

With the aid of a report prepared by the Director of Finance and Corporate Resources (a copy of which is appended in the Minute Book) the Committee were presented with the Council's projected financial performance for 2022/23.

In introducing the report, the Managing Director (Interim) reported that the overall outturn for 2022/23 reflected an underspend of £476,000 when compared to the approved budget. This was attributable to macro-economic factors and global market challenges which impacted upon the Council's holdings and interest on its treasury positions. Specific mention was made of the Council's performance in respect of recyclable material, levels for which had exceeded the targets which had been set, together with savings achieved in the Council's Strategic Planning Team.

In response to a question raised by Councillor A M Blackwell, the Managing Director (Interim) reported that the recyclable material market often fluctuated and that he was anticipating the Council to revert back to a less fortunate position in the future.

Councillor P Kadewere then questioned the performance of the Commercial Investment Strategy (CIS) where it was noted that a £765,000 return on property investments had been achieved. The Managing Director (Interim) reported that the Strategy would continue to be closely and actively monitored in the future. Arising from which, Councillor J A Gray then queried the recent leadership and staff changes which had occurred within the Strategic Property Team, when a refresh of the CIS was anticipated and the savings which had been achieved relating to staff costs within the Planning Team. The Managing Director (Interim) responded that the new Strategic Property Asset Manager came with experience of working within a commercial and local authority background and that the immediate priority would be to review some of the Council's investments with a view to generating longer term returns. In respect of the refresh of the CIS, the Committee noted that core principles for this would be established over the summer period and that further developments would be expected in due course. Finally, it was confirmed that an underspend had been achieved within the Strategic Growth Team of the Council's Planning function and not within the Development Management Service where an overspend had been reported. The Committee were assured that the latter service was doing their best to meet demand and that weekly meetings were being held with the Managing Director (Interim) together with the Chief Planning Officer and members of her team to review caseloads and resources for the Development Management Service.

Councillor A R Jennings then queried if there would be any impact upon the Council owing to the delays with completing the external audit and publishing the final set of accounts for 2021/22 by the prescribed deadline of 31st May 2023. The Committee were assured there would be no negative impact upon the Council and that an appropriate statement would be published on the Council's website explaining the reasons and cause for the delay. Furthermore it was reported that the issue of external audit completion timeliness remained a national concern and one that the Council actively lobbied for amongst various groups and organisations. Councillor P J Hodgson-Jones then raised questions around audit scheduling and where the Council sat within this and the impact of property/asset valuations within the CIS. In response, it was reported that the Council was generally regarded by the external auditors as a low risk authority but that the CIS offered an enhanced risk which meant that some priority had to be accorded to scheduling the completion of the Council's external audit sooner. Additionally, it was noted that the CIS had resulted in additional audit checks being undertaken in respect of valuations which had contributed towards the delay in finalising the 2021/22 accounts.

Whereupon, it was

RESOLVED

that the financial performance for the financial year 2022/23, as detailed in Appendix 1 and summarised in paragraph 3.2 of the report now submitted be received and noted.

7 LOCAL CODE OF CORPORATE GOVERNANCE

A report by the Internal Audit Manager was submitted (a copy of which is appended in the Minute Book) providing an update on the new supporting narrative to the Local Code of Corporate Governance.

The Managing Director (Interim) introduced the report and advised the Committee that seven core principles recommended by the Chartered Institute of Public Finance and Accountancy had now been incorporated within the Code together with the Council's ability to remove from the Annual Governance Statement a substantial amount of narrative describing the Council's governance arrangements.

Having welcomed the improvements which had been made to the Code, Councillor J A Gray queried the capacity of the Council to carry these principles forward. The Managing Director (Interim) responded that whilst being mindful of the priority being accorded to the completion of the external audit for 2021/22, together with the challenges which existed in recruiting to the vacant Corporate Director (Place) post, the key point of this Code would be to ensure that the seven principles were embedded within existing working practices. Additionally, the Overview and Scrutiny Panel (Performance & Growth) would be reviewing the Corporate Plan Targets for 2023/24 at their meeting on 7th June 2023 and that efforts would be made to effectively utilise the current level of resources available within the organisation.

Whereupon, the Committee

RESOLVED

to endorse the new April 2023 Local Code of Corporate Governance as detailed in Appendix 1 of the report now submitted.

8 PEER REVIEW UPDATE

Councillor M A Hassall, Executive Councillor for Corporate & Shared Services, was in attendance for this item.

A report by the Director of Finance and Corporate Resources was submitted (a copy of which is appended in the Minute Book) presenting the findings of the outcome of the Local Government Association's Peer Review of Internal Audit which took place in March 2023.

In setting the context for the Peer Review, the Executive Councillor for Corporate & Shared Services advised the review was timely owing to the establishment of the Joint Administration and various Senior Management changes. The Managing Director (Interim) then provided background to the review which provided an external perspective on the Council's Internal Audit function enabling the Council to maximise the benefits of the service upon the organisation. 17 recommendations had been proposed which have initially been agreed by the external auditors, Chair, Vice-Chair, Director of Finance and Corporate Resources and Internal Audit Manager. Next steps would then be to develop an action plan for consideration by the Committee at either its July or September 2023 meeting. In his concluding remarks, the Managing Director (Interim) responded that the review had been a positive, useful and informative process.

Councillor A R Jennings raised questions relating to when the new strategic Risk Register would be brought to the Committee for consideration, the level of resources available within the Internal Audit Team and clarification on the new

Assurance Board which had been referred to within the report. Having regard to the former, the Managing Director (Interim) responded that a fundamental review had taken place last year and reported to Committee at that time. The view was to split the register into two themes, namely strategic and corporate risks and service risks. Going forward both themes would be incorporated into a single register and presented to the Committee in due course. In respect of resources within the Internal Audit Team, it was reported around 2.2 FTE operated within the service but that this would be confirmed outside of the meeting. Assurances were delivered that the level of resource within the team was comparable to that of other authorities and that there had been a period of turnover within the team which was unusual for the service. Finally, the Committee were advised that the Assurance Board had been set up in addition to weekly Senior Leadership Team meetings to provide dedicated focus on accountability of issues with relevant colleagues sharing chairing roles. Matters that were considered at such meetings included risk, escalation, compliance and controls.

Referring back to the issue of resources within the Internal Audit Team, Councillor P J Hodgson-Jones questioned what options the Council had considered to resolve this given this was regarded as a key governance issue. The Managing Director (Interim) responded that in the past the option of exploring Shared Services with South Cambridgeshire and Cambridge City had been explored together with a further shared service option with seven other local authorities in Hertfordshire. The matter remains live and it might be that the Council repursues discussions in this respect or builds a resilience model around it to address the resource issues within the team. Councillor P J Hodgson-Jones commented that if the latter was pursued by the Council, to be mindful of the resulting governance and management issues which might arise.

Finally, a question was raised by Councillor J A Gray querying when the Committee would have sight of the Peer Review action plan. It was confirmed that owing to timescales, this might not be ready for the Committee's July 2023 meeting but possibly the one thereafter in September 2023. Additionally, it was noted that the Committee would also have sight of the updated Risk Management Strategy too.

Whereupon, the Committee

RESOLVED

to accept the recommendations arising from the Peer Review as outlined in the report now submitted.

9 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 reported that there was now one use of the Code of Procurement Waiver Procedure, details of which would be circulated around to Committee Members in due course. Additionally, it was reported that progress was underway with regards to the recruitment of 2 non-voting Independent Members and that the Chair, Vice-Chair and relevant Executive Councillor would be involved in finalising some of the detail prior to advertising the posts.

With regards to Shadow Cabinet Members, the Managing Director (Interim) advised that the matter would now be considered alongside a wider constitutional review. However, it was difficult to provide an indicative timeframe for when this review would happen owing to the current recruitment process to fill the permanent Chief Executive and Corporate Director (Place) roles within the organisation.

The meeting concluded at 7:42pm.

Chair

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Code of Conduct Complaints – Update

Meeting/Date: Corporate Governance Committee – 12 July 2023

Executive Portfolio: Councillor M Hassall, Executive Councillor for Corporate and Shared Services

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

Ward(s) affected: All

Executive Summary:

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

Recommendation:

The Committee is requested to note the progress of any outstanding complaints and the conclusion of cases resolved since the meeting in November 2022.

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. WHY IS THIS REPORT NECESSARY/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 The Committee has the responsibility for promoting and maintaining high standards of conduct within the Council, including monitoring operation of the Code of Conduct which also includes Town and Parish Councils.
- 2.3 At the meeting of the Committee on 13th September 2017, Members requested that this report be submitted on a quarterly basis to notify and update on complaints that have been made, how they are being handled and whether they have been resolved.

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 |
|-------------|-------------------------------|--|---|
| 22/58 | Town Council | Complaint made by a member of the public against the Town Council alleging they failed to follow their complaints procedure in the investigation of a complaint regarding a Town Councillor | Matter referred back to the Clerk for clarification. Response provided to complainant by Town Council. Procedure not a matter for MO. |
| 22/59 | District Council | Complaint made by a member of the public against a District Councillor alleging they breached 1 (respect), 2 (bullying, harassment & discrimination), 5 (disrepute) and 6 (use of position). | Request for anonymity did not meet requirements to pursue and complainant did not want to proceed. |
| 23/60 | Town Councillor | Complaint made against Town | Matter investigated by |

| Case Number | District/Town/ Parish Council | Allegation/complaint | Outcome |
|--------------------|--------------------------------------|---|--|
| | | Councillor alleging they breached 5 (disrepute) | Town Council and sanctions applied. No further action for MO as matter resolved at local level and no ability for MO to compel compliance. |

- 3.2 The process for dealing with conduct complaints is set out in the Monitoring Officer Protocol but once referred to the Monitoring Officer investigation stage, they are required to consult with the Independent Person following an initial assessment and before any decisions are taken as to what, if any, further action is considered appropriate.

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.

6. BACKGROUND PAPERS

Constitution – Members’ Code of Conduct
The Localism Act 2011

CONTACT OFFICER

Name/Job Title: Lisa Jablonska, Elections and Democratic Services Manager & Deputy Monitoring Officer
Tel No: (01480) 388004
Email: lisa.jablonska@huntingdonshire.gov.uk

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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 – 12th July 2023

Executive Portfolio: Councillor M Hassall, Executive Councillor for Corporate and Shared Services

Report by: Elections and Democratic Services Manager

Ward(s) affected: All Wards

Executive Summary:

The Monitoring Officer has a duty to establish and maintain a register of Disclosable Pecuniary Interests (DPIs). This report provides the Committee with details of the current level of returns by Town and Parish Councillors and by District Councillors. It also contains a breakdown of the adoption by Town and Parish Councils of Codes of Conduct.

Recommendation:

The Committee is

RECOMMENDED

to consider and comment on the report.

1. PURPOSE OF THE REPORT

- 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. In addition, the District Council is responsible for maintaining the Register for Town and Parish Councils. The register is open for inspection at the District Council's offices and published on the District Council's website. Where a Town or 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 Disclosable Pecuniary Interests (DPIs) for each Town and Parish Council is presented in Appendix 1.
- 1.2 Each Town and 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 the 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 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 five years.
- 2.2 This report describes the current position in relation to both matters.

3. ANALYSIS

- 3.1 All DPI forms that have been received have been published. Any changes made have also been published.
- 3.2 Of 71 Town and Parish Councils, 21 have had their full register published on the District Council's website, 46 Parishes have published their register with vacancies and 4 Parish Councils currently have a form outstanding.
- 3.3 In terms of individual DPIs, 559 out of a total of 652 have been received from Parish Councillors; with 88 vacant and 5 outstanding. The up-to-date position on each Council is noted in Appendix 1. It is unlikely that there will ever be a complete return at any one time because of the ever-changing Parish Council membership.
- 3.4 All District Councillors' DPI forms are uploaded onto the Council's website.

4. KEY IMPACTS / RISKS

- 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/TIMETABLE FOR IMPLEMENTATION

- 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, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 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. LEGAL IMPLICATIONS

- 7.1 There is no legal obligation upon a Town or Parish Council to notify the Monitoring Officer that it has adopted a Code of Conduct. Records indicate, however, that all Town and Parish Councils have adopted a Code. 18 of those Parish Councils have adopted one based on that adopted by the District Council. 46 Town and Parish Councils have adopted the Local Government Association Model Code, 5 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.

8. REASONS FOR THE RECOMMENDED DECISIONS

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

9. 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.

10. BACKGROUND PAPERS

None.

CONTACT OFFICER

Name/Job Title: Simon Rees – Member Development and Support Officer
Tel No: 01480 388738
Email: Simon.Rees@huntingdonshire.gov.uk

Town and Parish Councils' Disclosable Pecuniary Interests (DPI) forms

| No | Town/Parish Council | No of Councillors | DPIs Received | Current Vacancies | DPIs Outstanding |
|----|--------------------------------|-------------------|---------------|-------------------|------------------|
| 1 | Abbots Ripton | 6 | 5 | 1 | 0 |
| 2 | Abbotsley | 7 | 6 | 1 | 0 |
| 3 | Alconbury | 11 | 6 | 5 | 0 |
| 4 | Alconbury Weston | 7 | 7 | 0 | 0 |
| 5 | Alwalton | 5 | 4 | 1 | 0 |
| 6 | Barham & Woolley | 5 | 5 | 0 | 0 |
| 7 | Bluntisham | 11 | 11 | 0 | 0 |
| 8 | Brampton | 15 | 11 | 3 | 1 |
| 9 | Brington & Molesworth | 5 | 5 | 0 | 0 |
| 10 | Broughton | 7 | 6 | 1 | 0 |
| 11 | Buckden & Diddington | 15 | 14 | 1 | 0 |
| 12 | Buckworth | 5 | 4 | 1 | 0 |
| 13 | Bury | 9 | 6 | 3 | 0 |
| 14 | Bythorn & Keyston | 5 | 5 | 0 | 0 |
| 15 | Catworth | 7 | 6 | 1 | 0 |
| 16 | Colne | 9 | 9 | 0 | 0 |
| 17 | Conington | 5 | 5 | 0 | 0 |
| 18 | Earith | 11 | 11 | 0 | 0 |
| 19 | Easton | 5 | 5 | 0 | 0 |
| 20 | Ellington | 7 | 6 | 1 | 0 |
| 21 | Elton | 9 | 6 | 3 | 0 |
| 22 | Farcet | 11 | 6 | 5 | 0 |
| 23 | Fenstanton | 13 | 11 | 2 | 0 |
| 24 | Folksworth & Washingley | 9 | 9 | 0 | 0 |
| 25 | Glatton | 5 | 3 | 0 | 2 |
| 26 | Godmanchester | 17 | 16 | 1 | 0 |
| 27 | Grafham | 7 | 7 | 0 | 0 |
| 28 | Great Gidding & Little Gidding | 7 | 5 | 2 | 0 |
| 29 | Great Gransden | 9 | 8 | 1 | 0 |
| 30 | Great Paxton | 9 | 8 | 1 | 0 |
| 31 | Great Staughton | 9 | 8 | 1 | 0 |
| 32 | Hail Weston | 7 | 6 | 1 | 0 |
| 33 | Hemingford Abbots | 7 | 6 | 1 | 0 |
| 34 | Hemingford Grey | 13 | 10 | 3 | 0 |
| 35 | Hilton | 9 | 8 | 1 | 0 |
| 36 | Holme | 9 | 9 | 0 | 0 |
| 37 | Holywell-cum-Needingworth | 13 | 12 | 1 | 0 |
| 38 | Houghton & Wyton | 9 | 7 | 2 | 0 |
| 39 | Huntingdon | 19 | 16 | 3 | 0 |
| 40 | Kimbolton & Stonely | 11 | 11 | 0 | 0 |
| 41 | Kings Ripton | 5 | 4 | 1 | 0 |
| 42 | Leighton Bromswold | 7 | 7 | 0 | 0 |

Appendix 1

| | | | | | |
|----|-----------------------------|------------|------------|-----------|----------|
| 43 | Little Paxton | 15 | 14 | 1 | 0 |
| 44 | Offord Cluny & Offord Darcy | 11 | 8 | 3 | 0 |
| 45 | Old Hurst | 7 | 5 | 2 | 0 |
| 46 | Old Weston | 7 | 6 | 1 | 0 |
| 47 | Perry | 9 | 5 | 4 | 0 |
| 48 | Pidley-cum-Fenton | 7 | 7 | 0 | 0 |
| 49 | Ramsey | 17 | 17 | 0 | 0 |
| 50 | Sawtry | 15 | 12 | 3 | 0 |
| 51 | Sibson-cum-Stibbington | 7 | 7 | 0 | 0 |
| 52 | Somersham | 15 | 11 | 4 | 0 |
| 53 | Southoe & Midloe | 7 | 6 | 1 | 0 |
| 54 | Spaldwick | 7 | 7 | 0 | 0 |
| 55 | St Ives | 17 | 17 | 0 | 0 |
| 56 | St Neots | 21 | 20 | 1 | 0 |
| 57 | Stilton | 11 | 10 | 1 | 0 |
| 58 | Stow Longa | 5 | 5 | 0 | 0 |
| 59 | The Stukeleys | 9 | 8 | 1 | 0 |
| 60 | Tilbrook | 5 | 5 | 0 | 0 |
| 61 | Toseland | 5 | 3 | 2 | 0 |
| 62 | Upton & Coppingford | 5 | 2 | 3 | 0 |
| 63 | Upwood & The Raveleys | 9 | 7 | 2 | 0 |
| 64 | Warboys | 15 | 15 | 0 | 0 |
| 65 | Waresley-cum-Tetworth | 5 | 4 | 0 | 1 |
| 66 | Wistow | 7 | 7 | 0 | 0 |
| 67 | Woodhurst | 7 | 4 | 3 | 0 |
| 68 | Woodwalton | 5 | 0 | 5 | 0 |
| 69 | Wyton on the Hill | 7 | 5 | 2 | 0 |
| 70 | Yaxley | 17 | 15 | 2 | 0 |
| 71 | Yelling | 7 | 6 | 1 | 0 |
| | Totals | 652 | 558 | 90 | 4 |

Town and Parish Council New Standards Regime and Code of Conduct

| No | Town/Parish Council | HDC Code | NALC Code | LGA Model Code | Own Code |
|----|-----------------------------|----------|-----------|----------------|----------|
| 1 | Abbots Ripton | | | X | |
| 2 | Abbotsley | | | X | |
| 3 | Alconbury | X | | | |
| 4 | Alconbury Weston | | X | | |
| 5 | Alwalton | | | X | |
| 6 | Barham & Woolley | X | | | |
| 7 | Bluntisham | | | X | |
| 8 | Brampton | | | X | |
| 9 | Brington & Molesworth | | | X | |
| 10 | Broughton | | | X | |
| 11 | Buckden | | | X | |
| 12 | Buckworth | X | | | |
| 13 | Bury | | | X | |
| 14 | Bythorn & Keyston | X | | | |
| 15 | Catworth | | | X | |
| 16 | Colne | | | | X |
| 17 | Conington | | | X | |
| 18 | Earith | | | X | |
| 19 | Easton | X | | | |
| 20 | Ellington | | | X | |
| 21 | Elton | | | X | |
| 22 | Farcet | | | X | |
| 23 | Fenstanton | | | X | |
| 24 | Folksworth & Washingley | | X | | |
| 25 | Glatton | | | X | |
| 26 | Godmanchester | | | X | |
| 27 | Grafham | X | | | |
| 28 | Great & Little Gidding | X | | | |
| 29 | Great Gransden | | | | X |
| 30 | Great Paxton | | | X | |
| 31 | Great Staughton | | | X | |
| 32 | Hail Weston | | | X | |
| 33 | Hemingford Abbots | | | X | |
| 34 | Hemingford Grey | | | X | |
| 35 | Hilton | | | X | |
| 36 | Holme | | | X | |
| 37 | Holywell cum Needingworth | | | X | |
| 38 | Houghton & Wyton | | | X | |
| 39 | Huntingdon | X | | | |
| 40 | Kimbolton & Stonely | X | | | |
| 41 | Kings Ripton | X | | | |
| 42 | Leighton Bromswold | X | | | |
| 43 | Little Paxton | | | X | |
| 44 | Offord Cluny & Offord Darcy | | | X | |

Appendix 2

| | | | | | |
|----|------------------------|-----------|----------|-----------|----------|
| 45 | Old Hurst | | | X | |
| 46 | Old Weston | | | X | |
| 47 | Perry | X | | | |
| 48 | Pidley cum Fenton | | | X | |
| 49 | Ramsey | X | | | |
| 50 | Sawtry | | | X | |
| 51 | Sibson cum Stibbington | X | | | |
| 52 | Somersham | | | X | |
| 53 | Southoe & Midloe | | | X | |
| 54 | Spaldwick | | | X | |
| 55 | St Ives | | | X | |
| 56 | St Neots | | | X | |
| 57 | Stilton | | | X | |
| 58 | Stow Longa | X | | | |
| 59 | The Stukeleys | | | X | |
| 60 | Tilbrook | | | X | |
| 61 | Toseland | | | X | |
| 62 | Upton & Coppingford | X | | | |
| 63 | Upwood & The Raveleys | | | X | |
| 64 | Warboys | X | | | |
| 65 | Waresley cum Tetworth | | X | | |
| 66 | Wistow | | | X | |
| 67 | Woodhurst | | X | | |
| 68 | Woodwalton | | X | | |
| 69 | Wyton on the Hill | X | | | |
| 70 | Yaxley | | | X | |
| 71 | Yelling | | | X | |
| | Totals | 18 | 5 | 46 | 2 |

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Annual Review of Fraud Investigation Activity

Meeting/Date: Corporate Governance Committee- 12th July 2023

Executive Portfolio: Executive Councillor for Finance and Resources Services

Report by: Corporate Fraud Manager

Ward(s) affected: All

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 2022/23 the CFT:

- The CFT assisted in the delivery of the Energy Bill Rebate Scheme by verifying and checking bank account information and enabling payments to residents which have totalled more than £9.2 million paid to 61,700 households.
- The CFM (Corporate Fraud Manager) has been running a team to deal with the latest Energy Bill Support Scheme Alternative Funding and Alternative Fuel Payment for residents in the district. The total amount paid out over these schemes is £242,000.
- Have commenced work on the bi-annual National Fraud Initiative (NFI) which highlighted 36 reports with 353 matches this has currently identified savings of £12,975.27 .
- Commenced NFI 801 report looking at matches between the Single Person Discount and electoral register which has identified 3086 matches. Currently, we have identified savings of £67,337.29
- Investigated and assisted with the recovery of nine Housing Association Properties.

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 2022/2023.

1. PURPOSE OF THE REPORT

- 1.1 This report provides a summary of the activity of the Council's CFT in 2022/2023.

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 (currently under review by Audit) 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 the AFCS.

- 2.1 The team consists of a manager, an investigation officer and an intelligence / data analyst officer.
- 2.2. The CFT's main priorities again this year have involved the Energy Bill Rebate Scheme through which each household received £150 directly into their bank account where these details could be verified. Where Council taxpayers did not pay by direct debit, the CFT were involved in the checking and verification of these accounts once Council taxpayers provided their account details through a secure online form. With each grant there has been guidance requiring checks to be carried out prior to payment to address the potential of fraud. The CFT also returned to business-as-usual activities (BAU) for a short time, but as a result of an accident a member of the team has been off long-term sick for circa five months. The Corporate Fraud Manager was assigned to the Project Team for the Energy Bill Support Schemes and ran the team processing these types of applications.

3. ANALYSIS/WORK UNDERTAKEN

- 3.1 Table indicating grant scheme impact.

| Grant Scheme | Number | Total Value |
|-------------------------------------|-------------------|--------------|
| Energy Bill Rebate Scheme | 61,700 households | £ 9.2m |
| NFI bi-annual report | 353 | £ 12,975.27 |
| SPD matches so far identified | 3086 | £ 67,337.29 |
| Ct Penalties issued | 6 | £ 420.00 |
| Social Housing Properties recovered | 9 | £ 378,000.00 |

- 3.2 Administering this year's grant schemes has again proved challenging due to the high numbers involved, the delay in Energy Bill Support Scheme (EBSS) guidance and IT issues with the government software used for application processing. Guidance and timescales are individual to each scheme. This has involved additional work which resulted in the formation of the Project Team, recruitment of additional external staff. A collaborative piece of work between a number of departments has also occurred.

- 3.3 The CFT undertook a variety of checks using tools available from the Cabinet office (Spotlight). This enabled the team to verify council taxpayers bank account information including account owner and registration at the liable address, in alignment with Energy Rebate Scheme guidance.
- 3.4 The work capacity of the CFT has been impacted by a member of staff requiring long-term sick leave. This led to a gap in experience and qualifications. As a result, certain areas of the investigation process have not been undertaken or cases have been held until the member of staff returned. No other resources were available.
- 3.5 The bi-annual National Fraud Initiative 22/23 was released end-January 2023. The CFT allocated one member of staff to the work, which resulted in 23 of 36 reports being closed down, with the remaining reports awaiting responses from other departments or matched contacts.
- 3.6 Despite the resource issue and period of long-term sick, the CFT have continued to engage with local housing providers in investigations into Tenancy Fraud related matters and assisted in the recovery of nine properties. The CFT have a wealth of knowledge and experience and also have additional powers that can assist housing providers in obtaining the necessary evidence to prove a tenant is living elsewhere and recover properties. Illegal tenants can have a dramatic impact on the communities they live in, with anti-social behaviour, noise and drug dealing. The CFT have dealt with a recent case in one of the villages in the North of the district where the tenant had vacated and was living elsewhere with his partner but his son who was in his mid-twenties remained living in the address and dealing drugs from the premises. The son was quite aggressive and many of the elderly neighbours said they were frightened of going anywhere near the address. With the assistance of the CFT visits were conducted, the police notified, and evidence gathered to prove the tenant was not resident. The consequent police raid found a large amount of cash and drugs recovered from the property. The occupier was arrested and removed. Elderly residents can now feel safe in their community, and this was a positive outcome as a result of our working and involvement with the housing provider and police.
- 3.7 The Council Tax Single Person discount matches from the NFI have shown positive results and the CFT will continue its efforts in this area along with other work. The NFI 2022 report stated that between 2020 and 2022 £44.7 million pounds of fraud was reported across the UK.
- 3.8 The CFT continue to engage with other social housing providers in the district to set up similar investigation agreements to tackle potential tenancy fraud issues within their housing stock and create better outcomes for our residents and communities.
- 3.9 The CFT acts as the Single Point of Contact (SPOC) providing the DWP with information regarding housing benefit claims. DWP investigators have ceased their secondment duties and are now back in their main roles. The CFT saw an increase in communication and Local Authority Information Exchange Forms being received with the potential for good cases and some joint working investigations have already commenced.
- 3.10 Part of the role of the CFT is to assist other departments in the Council. This year the CFT have assisted a number of internal departments including Environmental Health and Housing. The latter were predominantly applications for Housing where the case officer has been unhappy with information provided by the

applicant, felt there were gaps in the information provided or a lack of address history. The CFT assisted by conducting additional checks on people and addresses and attending interviews with housing officers.

- 3.11 The Corporate Fraud Manager (CFM) is the Council's Coordinating Officer for the Regulation of Investigatory Powers Act 2000 (RIPA) which deals with directed surveillance. Following inspection in 2021, the Investigatory Powers Commission reported Huntingdonshire District Council were compliant with the act. The inspector met with both the CFM and the Senior Responsible Officer to discuss and review our policy and procedures.

It is a requirement of the Council's Covert Surveillance (RIPA) Policy and Procedure that a report is made annually to Corporate Governance Committee on any activity undertaken in line with the policy. In 2022/2023 HDC made one application for directed surveillance, involving static cameras at an identified hot spot for fly tipping.

4. KEY IMPACTS / RISKS

- 4.1 One of the key impacts on the service this year has been a staff on long term sick leave for a period of circa five months. Due to the size of team, this had a major impact on what was investigated and thus the results achieved.
- 4.2 The announcement of the Energy Bill Rebate Scheme caused the CFT to redirect resource from normal investigation work to verifying bank account information to ensure that payments were made correctly to support local residents but applied proportionate level of checks to protect the public purse from fraudulent applications and comply with government guidance.
- 4.3 The announcement of the Energy Bill Support Scheme Alternative Funding and Alternative Fuel Payment has meant the CFM has been a key member of the project team involving planning, implementation, recruitment of external staff and daily running of the Energy Bill Support Scheme Team.

5. WHAT ACTIONS WILL BE TAKEN

- 5.1 Fraud is estimated to account for 40% of all crime committed across the UK and is a long-standing threat to public services. Fraudsters have taken advantage of grant schemes designed to help and support people and businesses.
- 5.2 The CFT will continue to work on referrals received from both housing providers and matches as a result of the National Fraud Initiative. The CFT has been reactive to work pressures and focused on priority work to enable residents to apply and receive money towards their energy costs. The CFT engaged with internal and external partners to prevent and detect fraud in a number of areas housing applications, single person discount fraud, grant fraud and Council tax support.
- 5.3 A review of casework was undertaken and, following the return to pre-pandemic levels, it is hoped the CFT can return to a state of business-as-usual providing additional grant schemes are not announced.
- 5.4 The CFT will continue to work with local housing providers to build strong relationships that will combat tenancy fraud in the district.

6. LINK TO THE CORPORATE PLAN

- 6.1 Priority 3: Delivering good quality, high value for money services with good control and compliance with statutory obligations.

7. REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 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.

BACKGROUND PAPERS

CIPFA Fraud and Corruption Tracker Summary Report 2020

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

National Fraud Initiative report 2022

[2022-12-02_NFI_report_2022_12v3_-JQ.pdf \(publishing.service.gov.uk\)](#)

CONTACT OFFICER

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Email: Loraine.Martin@huntingdonshire.gov.uk

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Public/Confidential(Part2)*
Key Decision - Yes/No*

* Delete as applicable

HUNTINGDONSHIRE DISTRICT COUNCIL

| | |
|------------------------------|---|
| Title/Subject Matter: | Annual Report of the Corporate Governance Committee |
| Meeting/Date: | Corporate Governance Committee – 12th July 2023 Council – 19th July 2023 |
| Executive Portfolio: | Executive Councillor for Corporate & Shared Services, Councillor Martin Hassall |
| Report by: | Deborah Moss, Internal Audit Manager |
| Ward(s) affected: | All Wards |

Executive Summary:

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

The draft annual report in respect of the 2022/23 is attached at Appendix 1. It has been prepared by the Internal Audit Manager. It summarises the work undertaken by the Committee during 2022/23 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 Chair be given authority to agree any amendments. The report will be presented to the next Full Council meeting.

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

Recommendation(s):

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 Chair of the Committee approve any amendments to the draft report.

Appendix 1

1. PURPOSE OF THE REPORT

- 1.1 This is an annual report of the Committee which summarises the work it has undertaken during 2022/23 and any issues that arose in the year.
- 1.2 Once the draft report is approved by Committee it will be presented by the Chair of CGC at Council.

2. BACKGROUND

- 2.1 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. This annual report sets to inform Council of the activities Committee has undertaken in discharging these functions.
- 2.2 It has been prepared by the Internal Audit Manager and details matters that have been considered together with membership and attendance throughout the year.

3. REASONS FOR THE RECOMMENDED DECISIONS

- 3.1 Committee is required to review the draft report and approve that it is an accurate representation/reflection of the year.

4. LIST OF APPENDICES INCLUDED

Appendix 1 - Corporate Governance Committee: Chairman's Annual Report to Council for the year ending 31st March 2023

CONTACT OFFICER

Name/Job Title: Deborah Moss, Internal Audit Manager
Tel No: 01480 388475
Email: deborah.moss@huntingdonshire.gov.uk



Corporate Governance Committee

**Chair's Annual Report to Council
for the year ending 31st March 2023**

**Corporate Governance Committee
Functions: Approved by Council 29 March 2017**

Introduction by the Chair of the Corporate Governance Committee

This report summarises both the Committee's activities during 2022/23 and issues that arose in that financial year. It is intended to:

- reassure the Council and other stakeholders that it is undertaking its responsibilities properly and in a way that allows it to exercise effective oversight; and
- demonstrate to the District's residents and other stakeholders the importance that the Council places on good governance, openness and probity in public life. The report sets out the contribution the Committee makes to achieving those aims. The Committee's meetings are open to the public and its report are available on the Council's website.

This is my second year as Chair of the Committee, which has continued its focus on the following key issues:

1. Continue to make progress in resolving issues raised in previous annual governance statements, and to increase the rate of progress during the year.
2. Identify lessons to be learned and applied from those issues.
3. Receive assurance that business continuity plans are in place and up to date.
4. Continually review and enhance the controls necessary to deal with cyberattacks and to manage Cloud services effectively.
5. Continue to increase the percentage of internal Audit actions completed on time.

Over the year there has been an increasing focus on the Risks that exist for the organisation, and the role that Internal Audit plays in assessing the standard of management of these Risks. At the November 2022 meeting, the Committee was given visibility of the Corporate Risk Register, and the ongoing scrutiny of Risk in the context of Audit will be a key objective of the Committee going forward.

To this end, the Chair and Vice Chair have worked with the Executive Councillor for Corporate & Shared Services to investigate ways of increasing the Council's effectiveness in Risk management, and the role that the Corporate Governance Committee can play in this. We have greatly appreciated the valuable input into this initiative from Deborah Moss, Internal Audit manager.

During the year, a reassessment has taken place of certain key Audit actions, as it became apparent that those actions needed to be reviewed in light of changed circumstances. It was agreed with the pertinent Corporate Director

Corporate Governance Committee
Functions: Approved by Council 29 March 2017

that changes be made to the relevant outstanding Audit actions to reflect the necessary changes.

The Chair and Vice Chair took part in the LGA Audit Peer Challenge and were pleased that the 17 recommendations from the Challenge were accepted for implementation by the leadership of the Council. We look forward to working as a Committee in the coming year to implement those recommendations that relate to the Committee's activities.

In light of the Government's intention to require local government audit committees to include one or more Independent non-voting members, the Committee has commenced an initiative to recruit Independent members to the Committee, with an intention to implement the change to the Committee membership in the coming Corporate year.

I would like to thank those Officers who have supported the Committee's activities over the Corporate year 2022-23; the Members who served on the Committee during the Corporate year, and in particular for Members' contributions to the Committee's oversight of all aspects of Corporate Governance.

Councillor Nic Wells, Chair, Corporate Governance Committee

July 2023

**Corporate Governance Committee
Functions: Approved by Council 29 March 2017**

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 Councils 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 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

A skills and training needs assessment form has not been completed by Committee members for some years and training needs have not been identified. Committee has a significant number of new Members (both to the District Council and this Committee). An ongoing personal obligation to training is important in order that members can equip themselves with the requisite knowledge to form an effective governance and audit committee.

Throughout the year CGC members have had opportunity to attend various training courses and events:

**Corporate Governance Committee
Functions: Approved by Council 29 March 2017**

| Training Event | Date | By | Attendance numbers |
|--|----------|---|--------------------|
| Members Induction Event 2022 | 12/05/22 | HDC | 10+ |
| Chairing Meetings | 05/09/22 | LGA (Delivered by HDC) | 1 |
| General Data Protection Regulations (GDPR) | 14/06/22 | K SQUIRES, Data Protection Officer | 10+ |
| Effective Working | 16/09/22 | LGA - Jennifer Baker (First Ascent Group) | 1 |
| Role and Functions of Corporate Governance Committee | 28/09/22 | LGA | 8+ |
| Finance Training | 07/11/22 | EELGA | 4+ |

Matters considered

The table below groups into six categories the significant issues considered by the Committee during 2022/23. A brief summary of the issues considered within each of the categories is included on the following pages.

| | | 2022 | | | | | 2023 |
|----------|---|------|-----|-----|-----|-----|------|
| | | Apr | May | Jul | Sep | Nov | Jan |
| 1 | Constitution | | | | | | |
| | Code of Financial Management | | | | | | |
| | Code of Procurement | | | | | | |
| | Appointment of an Independent Member(s) to the Corporate Governance Committee | | | | | | ■ |
| | | | | | | | |
| 2 | Governance issues | | | | | | |
| | Approval for Publication of the 2021/22 Annual Governance Statement | ■ | | | ■ | | |
| | Annual Complaints Report 2021/22 | | | | ■ | | |
| | Code of Conduct Complaints - update | ■ | | | | ■ | |
| | Progress on Annual Governance Statement 2019/20 and 2020/21 – Significant Issues | | | | | | |
| | Annual Report on HDC Compliance with Freedom of Information (FOI) & Environmental Information Regulations) Acts | ■ | | | | | |

**Corporate Governance Committee
Functions: Approved by Council 29 March 2017**

| | | 2022 | | | | | 2023 |
|----------|--|------|-----|-----|-----|-----|------|
| | | Apr | May | Jul | Sep | Nov | Jan |
| | Annual Review of Benefits Risk-Based Verification Policy | | | ■ | | | |
| | CIPFA Code of Financial Management | | | | | ■ | |
| | Corporate Risk Register | | | | | ■ | |
| | | | | | | | |
| 3 | External Audit (EA) & Financial Reporting | | | | | | |
| | Draft Statement of Accounts 2021/22, Annual Financial Report and Approval for Publication of the Annual Governance Statement | | | ■ | | | |
| | External Audit Plan 2021/22 | | | | | ■ | |
| | Approval for Publication of the 2020/21 Annual Financial Report | ■ | | | | | |
| | | | | | | | |
| 4 | Internal Audit | | | | | | |
| | IA Service: Annual Report 2021/22 | | | ■ | | | |
| | Progress on the Internal Audit Plan | | | | | | |
| | Internal Audit Service: Interim Progress Report | | | | | ■ | |
| | Internal Audit Plan 2022/23 & Internal Audit Charter | ■ | | | | | |
| | Implementation of Internal Audit Actions | ■ | ■ | ■ | ■ | ■ | ■ |
| | Whistleblowing (Policy, Guidance and Concerns Received) | | | ■ | | | |
| | | | | | | | |
| 5 | Standards | | | | | | |
| | Code of Conduct Complaints – Update | ■ | | ■ | | | |
| | Update on Code of Conduct and Register of Disclosable Pecuniary Interests | | | ■ | | | ■ |
| | | | | | | | |
| 6 | Fraud | | | | | | |
| | Review of Fraud Investigation Activity 2020/21 | | | ■ | | | |
| | | | | | | | |
| 7 | Other | | | | | | |
| | | | | | | | |

**Corporate Governance Committee
Functions: Approved by Council 29 March 2017**

Reviewing the Constitution

| | |
|--|---|
| Code of Financial Management (Financial Regulations section within the Constitution). | No review has taken place (last review at Committee June 2021) – committee will put on their forward plan for 2023/24. |
| Code of Procurement | No annual review has taken place – committee will put on their forward plan for 2023/24. |
| Independent Members | Members were advised that it is likely that having an independent member will become statutory “as soon as legislation will allow” and therefore discussed and took a decision to approve up to two independent members in order that the necessary Constitutional changes could be made and recruitment preparation begin. Committee welcomed independent membership to support good governance and improve challenge. |

Governance of the Council

| | |
|---|--|
| Approving the Annual Governance Statement on behalf of the Council | The Committee approved the 2021/22 Annual Governance Statement (AGS). The format of the AGS had previously changed to one aligned with accepted best-practice agreed with external audit. |
| Significant governance issues | No significant governance issues were identified for inclusion in the AGS. However other governance issues were reported. |
| Complaints | The Committee received an annual report 2021/22 on the outcome of any complaints referred to the Local Government & Social Care Ombudsman as well as complaints that had been dealt with under the Council’s own procedures. Details of compliments received were also reported. Members are able to request further information. Reports included any key lessons learnt from complaint resolutions as well as a summary of complaint themes. |
| Annual Review of Benefits Risk-Based Verification Policy | Committee is required to approve the policy annually. Committee asked how low risk claimants are audited and assessed each year, the time taken to transition between HB and UC and the impact on caseloads and the measures and checks in place to identify errors. |

**Corporate Governance Committee
Functions: Approved by Council 29 March 2017**

| | |
|---|---|
| CIPFA Code of Financial Management | The Responsible Finance Officer (S.151 Officer) reported on an exercise carried out to demonstrate our compliance with the new CIPFA Code of Financial Management. She asked that Internal Audit verify the information in the document to provide independent assurance to Committee (this has been entered into the IA Plan 2023/24). |
| Corporate Risk Register | Committee requested to see the risk register and discussed its content, raising questions on a number of risks. It requested that a future report should include a matrix of where each of the risks sits. |

External Audit matters

| | |
|--|---|
| Approving the 2020/21 Annual Financial Report | The annual financial report for 2020/21 was audited by the external auditors who gave an unqualified audit opinion. The report was approved by committee and published in April 2022. Updates were also made to the AGS at this time. |
| External Audit Plan 2021/22 | The Committee has noted the External Audit Plan 2021/22. |

Internal Audit

| | |
|--|---|
| Receiving the Annual Audit Opinion | The Committee noted that the 2021/22 annual assurance opinion remained as adequate for the elements of internal control and governance. However, it was informed that no opinion could be given in respect of risk management. It acknowledged the decrease in Internal Audit resources available throughout the year. |
| Approving the internal audit work plan and Internal Audit Charter | The Audit Plan 2022/23 was discussed and approved in March 2022. The Internal Audit Charter was reviewed and approved as still fit for purpose by Committee in March 2023. <i>Both the Plan and new Charter were approved outside of the April-March 2023 period (a new Charter being approved in April 2023 and the Internal Audit Plan approved in July 2023) but are included here for visibility.</i> |

**Corporate Governance Committee
Functions: Approved by Council 29 March 2017**

Monitoring of implementation of audit actions

Committee received regular reports on overdue audit actions. It asked that the report's audit opinion be included against each action. It also requested and received a list of closed audit actions to see what had already been agreed and implemented to allow a better understanding of what types of actions are being made.

Annual report on whistleblowing

Committee received statistics on whistleblowing allegations received and noted that there were no issues that needed attention by committee. The Whistleblowing Policy was deemed still fit for purpose.

Standards

Ensuring good standards are maintained throughout the District

The Committee has received two reports during the year on various standards matters:

- Code of Conduct Complaints – Update
- Update on Code of Conduct and Register of Disclosable Pecuniary Interests

Countering Fraud

Activities of the Corporate Fraud Team (CFT)

The CFT has been involved with the checking of information for the Energy Bill Rebate Scheme so all households within the district and this resulted in 9.2 million being paid to residents. The bi-annual National Fraud Initiative (NFI) matches covering a number of services and areas and NFI report focusing on potential SPD Fraud. The CFT has continued to work with local housing providers and assisted in the recovery of Social Housing properties however this work has been hampered by a member of the team being off for a long period following an accident. There was one RIPA application for directed surveillance regarding covert cameras for a fly tipping hot spot in the area.

Corporate Governance Committee
Functions: Approved by Council 29 March 2017

The issues above deal with the core business of the Committee. A number of reports and other issues were also considered during the year that had a direct impact upon governance systems and processes across the Council:

- Reviewing the Council's compliance and performance in respect of responses to enquiries received under both the Freedom of Information and Environmental Impact Regulations.
- Considering the progress made by managers to introduce agreed internal audit actions on time.
- Consideration of single tenders/quotes approved by Heads of Service/Assistant Directors
- Approval of the updated Local Code of Corporate Governance.
- Approval of two independent members to sit on CGC – this will allow for more independent challenge and is seen as a governance improvement.
- Considered the Council's arrangements for compliance with CIPFA's Code of Financial Management and agreed for Internal Audit to verify the arrangements reported.
- Chair of CGC attends the Chair of Audit Committees Forum (Eastern Region) hosted by the LGA which is an opportunity to share experiences, learn topics, and develop the Chairing and effectiveness of the committee.
- No Committee member is an Executive Member with decision-making responsibilities.

Standards (Hearings) Sub-committee – (comprising 3 Members of the CGC) is appointed as and when required to consider the standards of conduct of members. This sub-committee did not meet during the year.

**Corporate Governance Committee
Functions: Approved by Council 29 March 2017**

Committee Membership & Attendance

| | | 2022 | | | | | 2023 | Attend- ance Total |
|--|------------------------|------|-----|-----|-----|-----|------|--------------------------|
| | | Apr | May | Jul | Sep | Nov | Jan | |
| Outgoing Committee (appointed by Council on 19 May 2021) | | | | | | | | |
| Chairman | Cllr G J Bull | ■ | | | | | | 1 |
| Vice-Chairman | Cllr P L R Gaskin | ■ | | | | | | 1 |
| | Cllr E R Butler | ■ | | | | | | 1 |
| | Cllr J C Cooper-Marsh | -- | | | | | | 0 |
| | Cllr D A Giles | -- | | | | | | 0 |
| | Cllr K P Gulson | ■ | | | | | | 1 |
| | Cllr P Kadewere | ■ | | | | | | 1 |
| | Cllr H V Masson | -- | | | | | | 0 |
| | Cllr L W McGuire | -- | | | | | | 0 |
| | Cllr J P Morris | -- | | | | | | 0 |
| | Cllr R J West | ■ | | | | | | 1 |
| | Cllr Mrs S R Wilson | ■ | | | | | | 1 |
| Incoming Committee (appointed by Council 18th May 2022) | | | | | | | | |
| Chair | Cllr N Wells | | ■ | ■ | ■ | ■ | ■ | 5 |
| Vice-Chair | Cllr J E Harvey | | ■ | ■ | ■ | ■ | ■ | 5 |
| | Cllr A M Blackwell | | ■ | ■ | ■ | ■ | ■ | 5 |
| | Cllr E R Butler | | ■ | ■ | -- | -- | -- | 2 |
| | Cllr J Clarke | | ■ | ■ | ■ | ■ | ■ | 5 |
| | Cllr J A Gray | | ■ | ■ | -- | ■ | ■ | 4 |
| | Cllr P J Hodgson-Jones | | ■ | ■ | -- | ■ | -- | 3 |
| | Cllr S A Howell | | ■ | ■ | ■ | -- | ■ | 4 |
| | Cllr P Kadewere | | ■ | ■ | ■ | -- | ■ | 4 |
| | Cllr T D Sanderson | | ■ | ■ | ■ | ■ | ■ | 5 |
| | Cllr I P Taylor | | ■ | ■ | ■ | ■ | ■ | 5 |
| | Cllr R J West | | ■ | ■ | -- | -- | ■ | 3 |

Key:

| | |
|----|-------------------------------------|
| ■ | Attended |
| -- | Absent |
| | Not on committee at date of meeting |

**Corporate Governance Committee
Functions: Approved by Council 29 March 2017**

To discharge the functions of the Council in relation to the Corporate Governance of the Council and to be the Council's "Audit" Committee.

These responsibilities include:

- | | |
|------------------------------------|--|
| Constitution | Considering proposals to change the Council's Constitutional arrangements and making appropriate recommendations to the Council. |
| Governance | <p>Regularly reviewing the Council's Code of Corporate Governance and recommending any changes to the Council and approving the annual governance statement and reviewing the achievement of any outstanding improvements.</p> <p>Ensuring there are effective arrangements for the management of risk across the Council.</p> <p>To consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.</p> <p>Through the Chairman, the Committee will provide the Council with an Annual Report, timed to support finalisation of the financial statements and the Governance Statement, on how it has discharged its responsibilities.</p> |
| Internal and External Audit | <p>Fulfilling the Board responsibilities of the Public Sector Internal Audit Standards and ensuring effective internal audit is undertaken in accordance with those Standards.</p> <p>Receiving and considering external audit reports including the adequacy of management response to issues identified.</p> |
| Final Accounts | Approving the accounting policies, statement of accounts and considering any matters arising from the external audit. |
| Countering Fraud | <p>Reviewing and monitoring the policy and procedure and arrangements for investigating disclosures under the Public Interests Disclosure Act 1999.</p> <p>Monitoring the Anti-Fraud and Corruption Strategy and receive annual updates on countering fraud.</p> |
| Standards | The promotion and maintenance of high standards of conduct within the Council. |

Corporate Governance Committee
Functions: Approved by Council 29 March 2017

To advise the Council on the adoption or revision of its Codes of Conduct for Members.

The promotion and maintenance of high standards of conduct within the town and parish councils within Huntingdonshire.

To advise the Council on the adoption or revision of a Protocol for Member/Officer relations.

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.

Determination of Community Governance Reviews.

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 (Hearings) Sub-Committee Functions relating to standards of conduct of members under any relevant provision of, or regulations made under, the Localism Act 2011.

3 Members of the Corporate Governance Committee plus Independent Person.

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Service: Annual Report 2022/23

Meeting/Date: Corporate Governance Committee – 12th July 2023

Executive Portfolio: Executive Councillor for Corporate & Shared Services, Councillor Martin Hassall

Report by: Deborah Moss, Internal Audit Manager

Ward(s) affected: All Wards

Executive Summary:

The Public Sector Internal Audit Standards (PSIAS) require 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 2023 to support the following opinion statement.

Audit Opinion:

Based upon the work undertaken and knowledge of working arrangements, it is my opinion that the Council's governance, internal control environment and systems of internal control as at 31 March 2023 provide reasonable assurance over key business processes and financial systems. In respect of risk management only a limited assurance opinion can be given.

Deborah Moss
Internal Audit Manager

July 2023

Whilst a limited assurance opinion is given with respect to the risk management system, there is a general governance improvement plan in place which includes risk management actions. In addition, there are a number of audit actions that have been provisionally agreed with management following the internal audit review on risk management which, once implemented, should raise the assurance rating up from limited to reasonable.

The opinion is based on the outcome of: nine audit reviews and seven reviews of key financial systems. These produced 48+ new audit actions (risk management actions still to be formally agreed). Two of the reviews are included from last year's plan but are included in 2022/23 as the work was carried out in-year and can therefore give assurance for the year. Mention is made of another 2021/22 audit only closed and actions added in 2022/23.

The following new areas are brought to Committee's attention:

- Risk Management: a limited assurance opinion has been given for risk management at the Council following a full internal audit. To date, the report has not been signed off by management and remains at draft status although the actions have been informally agreed.
- Social Value in Procurement: The audit gave a limited assurance opinion after findings that the Policy & Framework adopted in 2019 had not been implemented and key aspects were not complied with.
- Implementation of Audit Actions: throughout the year a significant number of audit actions were not implemented by their target date. However, it was noted that the number of overdue actions had reduced slightly.
- Minor Works Expenditure – with an absence of contract, there remains a risk of purchasing activity in breach of the Code of Procurement and poor control over spending generally. This was reported last year and remains outstanding as a new contract did not progress.
- Assurance work over the Planning Service (Development Management) and GDPR was not undertaken due to awareness that the service provision was not fully in place. These services agreed to prepare an improvement plan and the intention is for Internal Audit to review progress against these in the 2023/24 Audit Plan.

The Internal Audit Manager continues to report functionally to the Corporate Governance Committee and maintains organisational independence. There were no constraints placed upon them 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.

Recommendation(s):

It is recommended that the Committee:

1. Consider and comment upon the report; and
2. Take into account the audit assurance opinion when considering the Annual Governance Statement (AGS) for 2022/23.

1. PURPOSE OF THE REPORT

- 1.1 This is the annual report of the Internal Audit Manager (IAM). It covers the period 1 April 2022 to 31 March 2023.
- 1.2 The report includes the IAM's annual opinion on the overall adequacy and effectiveness of the Council's internal control, governance and risk management 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).

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 The Internal Audit Service Annual Report 2022/23 at Appendix 1 provides details of the work undertaken by Internal Audit during the year ending 31 March 2023 to support the annual opinion statement. This annual assurance opinion and any governance issues are to be included within the Council's AGS for the year.
- 3.2 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.
- 3.1 There are a number of matters within the audit reviews that are brought to the Committee's attention. These are detailed in the annual report and may be taken forward to the AGS as governance issues.

4. KEY IMPACTS / RISKS

- 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 AGS.

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 AGS.

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

- 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. REASONS FOR THE RECOMMENDED DECISIONS

- 7.1 In fulfilling its obligations under the PSAIS, 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 AGS.

8. LIST OF APPENDICES INCLUDED

Appendix 1 – Internal Audit Service: Annual Report 2022/23

9. BACKGROUND PAPERS

Internal Audit Reports
Internal Audit performance management information

CONTACT OFFICER

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Email: Deborah.moss@huntingdonshire.gov.uk

Appendix 1:



Internal Audit Service
Annual Report and Opinion
2022-23

1. INTRODUCTION

This is the annual report of the Internal Audit Manager (IAM) as required by the Public Sector Internal Audit Standards (PSIAS). It covers the year ending 31 March 2023.

- 1.1 The report includes the IAM's annual opinion on the overall adequacy and effectiveness of the Council's *internal control, governance, and risk management processes*. The opinion is based upon the work carried out by Internal Audit during the year, together with any other assurances and general knowledge gained.
- 1.2 The report provides information on:
- The role of Internal Audit
 - The annual audit opinion
 - The delivery of the annual Internal Audit Plan
 - Audit reports issued and issues of concern
 - Implementation of agreed actions and follow up
 - Internal Audit performance
 - Quality assessment and improvement programme (QAIP).

2. ROLE OF INTERNAL AUDIT

- 2.1 The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

'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 role of internal audit is best summarised through its definition within the PSIAS, as an:

'Independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

- 2.3 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council's response to internal audit activity should lead to the strengthening of the internal control environment (see Appendix 2) and, therefore, contribute to the achievement of the organisation's objectives.

3. ANNUAL INTERNAL AUDIT OPINION

Based upon the internal audit work undertaken and knowledge of working arrangements, it is my opinion that the Council's framework of governance and systems of internal control as at 31 March 2023 provide **reasonable assurance** over the key business processes and financial systems.

In respect of risk management only a **limited assurance** opinion can be given.

Deborah Moss
Internal Audit Manager

June 2023

3.1 Assurance can never be absolute. The audit opinion reflects the view of the IAM on the current state of the governance framework 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). The opinion does not imply that internal audit has reviewed all risks, controls or governance arrangements.

If significant changes occur to the governance and internal control framework prior to the Committee approving the AGS, the Committee will be informed.

3.2 Last year 2021/22 the annual audit opinion was stated as adequate assurance. No opinion could be provided in respect of Risk Management.

3.3 Whilst a limited assurance opinion is given for risk management at the end of the year, it is acknowledged that an action plan is now being prepared to drive the risk management framework and provision. A corporate risk register is in place but service risks are in need of attention, completion or review. The Risk Management Strategy is drafted but not yet approved or rolled out, and the risk appetite is currently under review. All these are positive moves towards getting risk management back in place and of value to the organisation. The Risk & Controls Group, made up of various second line disciplines and third line of defence Internal Audit, continues to meet to discuss issues and provides advice to all services. Since the beginning of the 2023/24 year, an Assurance Board has been established with a primary role of gaining confidence in the Council's delivery and control capability and resilience.

3.4 The assurance opinion is based on the outcome of nine audit reviews (one still to be formally issued), follow-up reviews and the reviews of key controls within seven core financial systems.

3.5 There were nil substantial assurance, six adequate/reasonable assurance and three limited assurance audit reports (general and IT) issued in 2022/23. These audits have identified 47+ actions for improvement (some still to be

formally agreed). Only two actions have been classified as 'red' priority (i.e. meaning the uncontrolled risk has the potential to seriously affect service delivery) – these are within risk management and remain at draft report stage.

- 3.6 The core financial audits also identified actions in addition to outstanding actions from last year and action is ongoing to address these areas, for example accounts receivable. An adequate opinion has been given to each except for Accounts Receivables which was given limited assurance again.
- 3.7 Managers were asked to record if they had 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. Services were asked to provide details of any third party or external assurances they obtained for their service or any self-assessments they had carried out. The purpose of this was to gain knowledge of any other assurance to support that service area assurance and to further support the overall annual audit opinion. Third party assurances are also used in the preparation of the annual audit plan.
- 3.8 The IAM continues to report functionally to the Corporate Governance Committee and maintains organisational independence. They have no constraints placed upon them 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.
- 3.9 The Local Government Association (LGA) undertook a peer review of governance processes, assessed against CIPFA's "Unlocking Internal Audit Potential" report, to provide insight into the effectiveness of the Council's arrangements. The peer review highlighted areas that have historically come under the responsibility of Internal Audit but should be considered for separation in order that Internal Audit is able to independently review and report - these include Whistleblowing, the AGS, the Local Code of Corporate Governance and the Annual Report of the Committee.

4. DELIVERY OF THE 2022/23 INTERNAL AUDIT PLAN

4.1 Resourcing

The Trainee Internal Auditor commenced maternity leave in January 2023. The Service was fortunate enough to appoint a qualified auditor by way of cover under a fixed-term contract commencing in February. In May 2023, the long-standing auditor moved from Internal Audit to take up a new role in project management at HDC creating another vacancy, currently being recruited for.

Recruitment is very challenging in the professional audit field at the moment, with a national shortage of auditors and few with public sector experience. Other options for posts are being considered at present to find the best fit for the team. Recruitment has again meant we consider an assessment of training our own auditor talent and building future resilience, critical in a small team.

Additionally, discussions are taking place with neighbouring councils, who are similarly struggling with recruitment and retention, to investigate whether there is opportunity to share posts and thereby provide more resilience.

4.2 Supporting a trainee within a very small team has had an effect on service delivery but is a worthy investment for future capacity and long-term sustainability. It is part of the Council's strategy to 'grow our own' skills and talent but is more difficult in a small team.

4.3 The service is resourced as follows:
 Internal Audit Manager - 0.8 FTE
 Interim Internal Auditor - 0.8 FTE (fixed term until August) under negotiation to become permanent on less hours.

Trainee Internal Auditor - 1.0 FTE (on maternity leave)
New Post (vacant) -.0.8 FTE

Total for general audit 3.0 FTEs on establishment
 (1.6 FTEs currently operational)

IT audit provision is contracted out as there is limited IT experience within the team and IT audit is considered specialist. A contract has been awarded but to date the contract has not yet been signed; the provider is reconsidering their organisational position, and a decision has been made to rescind our contract offer and to issue a contract to the second-placed tenderer (who has confirmed they have capacity).

4.4 **Internal Audit Reports Issued**

Internal Audit reports issued are listed in the table below - grouped by assurance opinion (see Appendix B for definitions). It also details the number and priority of agreed actions from each.

| Audit area | | Audit Actions | |
|--|--|---------------|-------|
| | | Red | Amber |
| Substantial assurance | | | |
| Adequate / Reasonable assurance | | | |
| | Shadow IT / Service-procured Systems 2021/22 * | 0 | 3* |
| | IT Procurement & Contract Management 2021/22 * | 0 | 2* |
| | Fuel Usage & Payments | 0 | 6 |
| | Payroll | 0 | 8 |
| | Planning Applications KPIs | 0 | 6 |
| | Shared Service ICT Cost Allocations | 0 | 7 |
| | Section 106 Agreements 2021/22 ** | 0 | 2 |
| Limited assurance | | | |
| | Risk Management *** | 2 | 4 |

| Audit area | | Audit Actions | |
|-------------------------|---|-------------------------------|-------|
| | | Red | Amber |
| | Social Value (in Procurement) | 0 | 6 |
| | Purchasing Cards | 0 | 9 |
| No assurance | | | |
| No opinion given | | | |
| | Disabled Facilities Grants District Certification 2020/21 | - | - |
| | Overtime follow up | Further follow up recommended | |
| | | | |

* contributes to 2022/23 opinion as work was undertaken in-year

** declared as report finalised and actions added in 2022/23

*** final report not yet agreed by client

4.5 Appendix A provides a summary of the main findings from each audit report issued. In future, reports the committee may wish to consider receiving commentary on the limited opinion reports only.

4.6 The audit plan included the review of key controls within a number of key financial systems. The assurance opinions given on these systems are set out below:

| Audit area | Level of assurance | | | | Action Actions | |
|-------------------------------|--------------------|----------|---------|--------|----------------|-------|
| | Substantial | Adequate | Limited | Little | Red | Amber |
| Council Tax | | ✓ | | | 0 | 0 |
| Non-Domestic Rates | | ✓ | | | 0 | 1 |
| Housing Benefits – payments | | ✓ | | | 0 | 1 |
| Housing Benefits – recovery | | ✓ | | | 0 | 1 |
| Main accounting system | | ✓ | | | 0 | 3 |
| Accounts payable (Creditors) | | ✓ | | | 0 | 0 |
| Accounts receivable (Debtors) | | | ✓ | | 0 | 6 |

The frequency of these continuous auditing reviews has been carried out on a risk versus value assessment. A quarter 4/end of year review was undertaken in all areas, and an audit opinion and agreed audit actions to redress any recurring/outstanding issues were provided.

4.7 There were no 'No assurance' opinion reports issued in the year. In general, internal audit work found there to be a sound control environment in place

across the majority of review areas. Improvements can always be made however and there are three areas in particular that require highlighting, all included as 'significant' improvement areas in the 2022/23 annual governance statement. Where agreed actions are introduced, it is expected that the assurance rating for the area should increase from limited to reasonable.

4.8 **Areas of Concern**

- **Risk Management:** a limited assurance opinion has been given for risk management at the Council following a full internal audit review. To date the report has not been signed off by management and remains at draft status although the actions have been informally agreed. The Risk Management Strategy and risk appetite are yet to be approved and service area risks are planned to be reviewed and reassessed, and new risks identified.
- **Social Value in Procurement:** The audit gave a limited assurance opinion after findings that the Policy & Framework adopted in 2019 had not been implemented and key aspects are not complied with, and our approach has not been amended to reflect a number of economic changes. A formal contract management process is not in place and staff not trained in social value. All these have agreed actions in place to improve the governance and control.
- **Implementation of Audit Actions:** throughout the year, a significant number of audit actions have not been implemented by their agreed target date. However, it was noted that the number of overdue actions reduced slightly.

It is likely that capacity has inhibited progress, but it is important that services propose realistic implementation dates. Internal Audit will take action to discuss the realism or challenge these dates at audit closure.

- **Minor Works Expenditure:** there remains a risk of purchasing activity in breach of the Code of Procurement and poor control over spending generally. This was reported last year and remains outstanding as a new contract did not progress. An action plan has been agreed to progress this and it is expected that the contract will be retendered shortly.
- **Assurance work over the Planning Service (Development Management) and GDPR** was not undertaken due to awareness that the service provision was not fully in place. The services agreed to prepare and follow an improvement plan and the intention is for Internal Audit to review progress against these in the 2023/24 Audit Plan.

4.9 **Other internal audit work/activities undertaken**

In addition to the reports listed above, audit involvement has also been undertaken on the following areas and are the 'value add' that Internal Audit provides to HDC:

- **HDC Governance Processes:** Review and preparation work for the Local Code of Corporate Governance. Assurance work to support the annual governance statement. Participating in the Council's Information

Governance Group, independent handling of a corporate complaint, whistleblowing allegations and reports.

- Consultancy on new initiatives: review within the ideas process; review and comment on corporate performance indicators, pre-app planning process.
- Additional support provided on an adhoc basis to services for example: reviewing /advising on procurement waivers, policy review, internal and external insurance advice, cost of living changes, returned cheques protocol, payroll BACS authorisation and advice on assurance surrounding charities.
- Income certification to Government: declaration of spend for additional income such as Disabled Facility Grants and the Government's support grants.
- Risk and Control & Assurance: membership of the Risk and Control Group, contributing to the assessment of the Council's risk register, advice on risk/control issues and membership of the Assurance Board.
- Collaboration and knowledge sharing with other local authorities through various networking groups and online requests for information.
- Provision of management information, for example monitoring and reporting of audit actions, review of AGS issues, audit committee reports.
- Attendance and support of the Corporate Governance Committee.

5. IMPLEMENTATION OF AGREED ACTIONS AND FOLLOW-UP WORK

- 5.1 At the conclusion of an internal audit review, agreed audit actions are recorded and monitored. During 2022/23 internal audit reports suggested 48 improvement actions (plus extra not yet finalised), of which all but one were accepted by management.

The Corporate Leadership Team set a target of 100% of agreed actions would be implemented on time (by the agreed implementation date). This was not achieved, with generally low levels of implementation 'on time' which rose significantly when including those implemented late. The number of overdue actions has reduced significantly during the year. Internal Audit reported a list of overdue actions to the Senior Leadership Team on a regular basis, and to the Corporate Governance Committee (CGC) at its meetings, with updates from action owners or Service Managers noting the progress made on each action. Some actions have been closed as implementing them would not achieve the assurance originally required. In doing this, alternative actions have been instated.

- 5.2 Regular reminders are provided to managers prompting them to implement their actions before they fall due and to provide an update on the status and

progress of each overdue action. This improves oversight for management and CGC on reasons for delay or any blockage to progress, demand for additional assistance or whether the risk should be allowed to continue unmitigated.

- 5.3 Follow-ups on implemented audit actions were limited during 2022/23 due to limited resourcing. Ideally, all implemented actions would be reviewed to provide assurance that they had been implemented and were operating effectively.
- 5.4 Not all audit actions implemented are routinely followed up. The IAM decides if a follow-up review is required after considering the action's classification, the action itself, the evidence provided by a manager to support the closure of the action and own knowledge of the action taken. A recent improvement has been to develop the use of 4Action software (used for recording and tracking actions) to identify and track actions for follow-up, allowing Internal Audit to verify what the action owner has confirmed and to test that action has been implemented and any control is operating effectively. When resources are settled, the intention will be to carry out a follow up review on any actions under a limited assurance opinion and others as they are deemed required.

6. INTERNAL AUDIT PERFORMANCE

6.1 Service delivery targets

It has previously been the practice to maintain a series of internal performance targets. However, given the level of resourcing and the volume of reviews carried out in 2022/23, this performance measuring was not formally carried out.

Consideration is being given to which performance targets and indicators may be introduced for 2023/24.

- 6.2 A new/refreshed End of Audit Survey has been designed and has been sent to the client for their feedback following closure of an audit.

The survey asks for feedback on various elements within the following aspects of an audit:

- Performance of the auditor
- How well the audit was managed
- How well we communicated
- Quality of the audit report
- Overall quality of the audit (including how we could do things differently to improve our service).

Respondents rated the following areas good or very good:

- | | |
|--------------------------------|--------------------------|
| - Overall quality of the audit | 100% |
| - Quality of the audit reports | 100% |
| - Audit scope and coverage | 100% (Duration only 83%) |
| - Performance of auditor | 100% |

- 6.5 The monitoring of key service delivery targets will be considered in the future but are still used internally as targets within each audit review even though they are not formally measured and reported.

7. QUALITY ASSESSMENT & IMPROVEMENT PROGRAMME (QAIP)

- 7.1 One of the elements of the PSIAS (Public Sector Internal Audit Standards) is the requirement to maintain a quality assessment and improvement programme (QAIP) which needs to be sufficiently comprehensive to encompass all aspects of Internal Audit's operation and management.

A self-assessment review was commenced, but not completed, in February 2023 to evaluate Internal Audit's conformance with the PSIAS. The IAM is already preparing a QAIP which will be redesigned to include more detail and planned improvements, including those recommendations made following the peer review undertaken in March 2023. One of the improvements that will need to be addressed is the introduction of a formal skills and competencies process, to allow for auditor training and development including support for continued professional development requirements for membership of professional bodies.

- 7.2 The main issues identified from the self-assessment are:

- Auditor training on PSIAS changes introduced
- On-going assessment and identification of auditor training and development needs
- Full review of the audit manual and amendments to reflect several initiatives introduced in recent years
- More evidence of risk-based planning using the risk register
- A more comprehensive QAIP and annual improvement plan.

7.4 A peer review was carried out in March 2023, led by the LGA and using audit leads from other authorities with the intention of assisting the Internal Audit Service in preparation for an external quality review. The PSIAS includes a requirement for periodic self-assessments and external assessments at least once every five years by a qualified, independent assessor from outside the Council. Internal Audit plans to introduce the recommendations of the peer review, and also reassess where it is not fully conformant with the standards. It will then need to consider if and when a formal EQA will be undertaken. Whilst Internal Audit may not be able to demonstrate each and every standard, it generally operates in the spirit of the standards, which are the same regardless of the size of the team. One of the most important areas that could not be evidenced was the risk-based audit planning. This is easier to demonstrate now that a new corporate risk register is in place, although audit planning will be more robust and transparent once reliance can be placed upon service level risks.

Appendices

- A. Summary of key findings and good practice identified from 2022/23 internal audit reviews.
- B. Assurance Definitions used in the report.

Assurance Definitions

Substantial Assurance Reviews

| Audit | Key Findings | Good Practice Reported |
|----------------|--------------|------------------------|
| None to report | | - |

Adequate/Reasonable Assurance Reviews

| Audit | Key Findings | Good Practice Reported |
|-------------------------------------|--|--|
| Fuel Usages & Purchases | <ul style="list-style-type: none"> Fuel contract has expired, and work is ongoing to relet it Routine monitoring of fuel usage is not formalised Fuel usage information is not shared with service managers | The Transport Manager is knowledgeable on fuel related matters. Processes have been established to ensure adequate fuel supply and continuity of service, including daily filling of vehicles, availability of emergency use fuel cards and plans for phased service delivery based on priority. |
| Payroll | <ul style="list-style-type: none"> No process notes for the payments process Key documents and email evidence not consistently stored and saved Timesheets not updated to reflect iTrent formatting and are manually input Key person dependency, no segregation of duty during manual input of information and allocation of resources presents a risk to the delivery of the service System access controls are weak No disaster recovery plan No Ghost Employee check conducted. | Successful implementation of a new payroll system and new team structure, and focus was on successful delivery of salary payments. Payroll manager used their initiative, creating reports and control spreadsheets to process payments on time. As the system has now been imbedded, focus should be concentrated on tightening up the processes and controls. |
| ICT Shared Service Costs Allocation | <ul style="list-style-type: none"> Existing model out of date and in need of revision Processes currently very manual with a high degree of duplication and rekeying There is considerable reliance on an officer for historical and processing knowledge and there are minimal procedure notes in place It was not always possible for audit to verify the recharge invoices due to lack of detail Due to requests for information and queries from the Councils billing is often delayed | The processes in place have very much been developed in response to the move to a shared service, and there was no real provision for this at the outset. The team are aware of weak points and areas requiring development and were actively working on addressing these whilst the audit was conducted. |
| Planning Apps KPIs | <ul style="list-style-type: none"> Some internal KPI results could not be recreated, indicating either they were initially calculated incorrectly | - |

**Summary of key findings and good practice identified
from 2022/23 Internal Audit reviews**

| | | |
|---------------------------|--|---|
| | <p>or there has been a retrospective change in data.</p> <ul style="list-style-type: none"> • Data Quality Document [for Planning] needs reviewing. This was last reviewed in 2017/2018, contains errors and does not document the current process for calculating internal KPIs throughout the year. • There is a lack of reporting continuity between the time scales used for HDC's internal KPIs and government statistics, increasing workload and duplication of effort. • There are no written procedure notes to document how to retrieve data from Uniform and then submit these to central government. • Extension dates are manually input in the Uniform system by officers which could result in human error, although this is recognised as an inherent risk with most operating systems. | |
| S.106 Agreements 21.22 | <ul style="list-style-type: none"> • Whilst processes are in place over the Section 106 Agreement process, resource limitations both within the team and across the authority are having an adverse impact on the management and monitoring of agreements and the delivery of planning conditions • The corporate appetite for Section 106 monitoring has not been formalised, resulting in inconsistent approaches, poor service buy in and low level resource commitment • Corporate commitment to Section 106 Agreement monitoring has not been formalised • Staff changes and turnover has impacted on gaps in process knowledge and responsibilities • The Section 106 Agreement template requires review and update • Resourcing has an adverse impact on the monitoring of cases and progression of schemes | <p>Despite the limited resource and high volume of clauses the team has worked hard to establish a process for monitoring agreements. Good use is being made of the system to capture activity and flag cases for review. The Finance and Implementation Admin Officer demonstrates a really good understanding of the process, live cases and the action required to drive delivery, and shows commitment to deliver the conditions which underpin the agreements.</p> |

**Summary of key findings and good practice identified
from 2022/23 Internal Audit reviews**

| | | |
|---|--|---|
| | <ul style="list-style-type: none"> Local level programme being established for the revision of processes within the team | |
| Shadow IT / Service-procured systems 21.22 | <ul style="list-style-type: none"> There is no defined framework in place for the procurement and management of shadow IT systems, hardware or applications not supported by IT The Council's Acceptable Use Policy has not been formally communicated to members of staff and there is no mechanism in place for recording user acknowledgement Members of staff have not been provided with sufficient training, awareness, or guidance with regards to shadow IT applications or procurement of hardware outside of IT. | <ul style="list-style-type: none"> Application Support Matrix in place procedures in place Technical controls implemented to prevent non-authorized staff from installing or running applications. mobile device management tool in place Firewalls control enterprise-level traffic and Mimecast is in place an information asset register in place defined change approval process |
| Corporate Enforcement Policy 21.22 | <ul style="list-style-type: none"> No written procedures notes regarding on how enforce Lack of case notes Barristers instructed, creating potentially unnecessary additional service costs. Policy is not used as a guide for enforcement as Teams use their own legislation to enforce PACE refresher training needed Management reviews not documented on cases Missing supporting documents Case management system used differently by teams Tascomi not configured to run necessary reports on enforcement metrics Inconsistencies in the level of enforcement across teams Documents not reflective of current management structure Changes in legislation are difficult to monitor. | <p>Although the policy has not been read by a number of officers, all officers understood that a stepped approach should be taken when enforcing.</p> <p>The cases with clear notes also supported that a stepped approach is taken when looking into an enforcement case.</p> |

**Summary of key findings and good practice identified
from 2022/23 Internal Audit reviews**

Limited Assurance Reviews

| Audit | Key Findings | Good Practice Reported |
|-----------------------------|---|--|
| Purchasing Cards | <ul style="list-style-type: none"> • Users not following guidance notes and no written procedure notes for Finance officers • No permanent officer ownership over purchasing card process. • Conflicting opinion on usage of purchasing cards, with vague guidance notes left to user's own interpretation • Purchasing cards paid before statements have been downloaded and supporting evidence returned. • Missing/unreturned transaction logs and receipts • Insufficient purchase descriptions on transaction logs • Managers are not copied into the returned evidence email and no evidence of budget holder approval • Lack of consequence for cardholders should supporting evidence not routinely be returned • Purchasing card module in Tech1 is not used. | |
| Social Value in Procurement | <ul style="list-style-type: none"> • The Council is broadly compliant in terms of the Social Value Act 2012 • Social Value Policy and Framework, adopted in 2019, has not been implemented and the key aspects are not complied with • A number of changes, including economic climate and local resource have impacted our ability to deliver in this area, and our approach has not been amended to reflect this • Formal contract management process is not in place at the Council • Staff not been trained in social value • Options for engagement with other Council Services and local businesses not been explored | |
| Risk Management | <i>Report not yet finalised</i> | <i>Report not yet finalised</i> |
| Debtors 22.23 | <ul style="list-style-type: none"> • Debt Management Policy in need of review • Procedure notes needed for remaining areas. | A number of new processes have been introduced during 2022.23 which are improving the control environment however this |

**Summary of key findings and good practice identified
from 2022/23 Internal Audit reviews**

| | | |
|--|--|---|
| | <ul style="list-style-type: none"> • Estates debt management process not defined/documented. • Credit balances handling is not defined. • Aged debt reports and write off levels are reported • Limited reporting to CGC on pertinent accounts receivable information. • Action outstanding from 21.22 (monthly management info and debt collection performance). | is in the early stages of implementation and relies on consistent resourcing. |
|--|--|---|

Assurance Definitions

| Opinion | Description |
|------------------------------|--|
| Substantial Assurance | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. |
| Reasonable Assurance | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. |
| Limited Assurance | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited. |
| No Assurance | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. |

In applying the most appropriate level of opinion the internal auditor will use their professional judgement, based on the results of the audit, consideration of risk and consequences of areas of weakness for the organisation.

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.

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Whistleblowing (Policy, Guidance and Concerns Received)

Meeting/Date: Corporate Governance Committee – 12th July 2023

Executive Portfolio: Executive Councillor for Corporate & Shared Services, Councillor Martin Hassall

Report by: Deborah Moss, Internal Audit Manager

Wards affected: All

Executive Summary:

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.

The Whistleblowing Policy and Guidance have been reviewed and it is recommended that they remain unchanged save for postholder updates. The outcome of this review will be included in the Local Code of Corporate Governance. The Policy and Guidance are included within the Councils' Code of Conduct.

Only Council employees, contractors or suppliers providing services under a contract to the Council are classified by law as whistleblowers. There has been one whistleblowing allegation received during 2022/23 that related to a disclosure received internally.

An additional two disclosures have been received in the year from members of the public. Neither related to HDC employees.

Recommendation:

The Committee is invited to comment on the contents of this report and to acknowledge the annual review of the Whistleblowing Policy and Guidance as still fit for purpose.

1. PURPOSE OF THE REPORT

- 1.1 To confirm to the Committee the number of whistleblowing allegations received in the year, both internally and from members of the public.
- 1.2 To restate / refresh the Whistleblowing Policy and Guidance as part of an annual review, and to approve any amendments.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

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

3. ANALYSIS

- 3.1 One whistleblowing allegation (as per the definition in the Policy) was received in the year 2022/23. This is currently being dealt with internally between the Service and Procurement Lead in consultation with Internal Audit. The whistleblowing allegation fact-finding investigation has resulted in application by the Service for a waiver of the procurement tender process. This is currently in progress. There is no further heightened risk or concern that needs to be brought to the Committee's attention providing the waiver is deemed appropriate.
- 3.2 Therefore, no common themes were identified amongst whistleblowing complaints.
- 3.3 Another two allegations were received from members of the public. The Internal Audit Manager dealt with the first complainant providing advice and 'next steps guidance'. The second case was passed to the County Council as it was under their jurisdiction.
- 3.4 The Internal Audit Manager has also sought confirmation from the Strategic HR Manager that no other whistleblowing allegations have been received by HR.

4. REASONS FOR THE RECOMMENDED DECISIONS

- 4.1 The policy requires an annual report be presented to the Committee. After reviewing the policy and guidance, they are deemed still fit for purpose and effective. On balance of proportionality, it has been decided that no further work is needed although a best practice comparison may be carried out in the year to see if the guidance can be improved.
- 4.2 Remote working has not required any change to the guidance, and access to the Whistleblowing Hotline is still performed remotely.

5. LIST OF APPENDICES INCLUDED / BACKGROUND PAPERS

Whistleblowing Policy
Guidance Note for Whistleblowers

CONTACT OFFICERS

Deborah Moss
Internal Audit Manager
Deborah.Moss@huntingdonshire.gov.uk

Huntingdonshire District Council Whistleblowing Policy

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

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

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

This Policy has been prepared in response to the Public Interest Disclosure Act 1998 and other legislation¹ and the Code of Practice issued by Public Concern at Work². The latest version was adopted by the Corporate Governance Committee on behalf of the Council on 13 July 2022.

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.

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

¹ Enterprise and Regulatory Reform Act 2013

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

believe is made in the public interest and relates to any of the areas listed below:

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

This list is not exhaustive.

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

CONCERNS NOT COVERED BY THE POLICY

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

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

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

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

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

- 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 (People) 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 (People) 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 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.

| | |
|----------------------|--------------------------------|
| Version: | June 2023. |
| Frequency of review: | Reviewed annually |
| Approved by: | Corporate Governance Committee |

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 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 (People).
- complete the [online form](#)
- send an email to whistleblower@huntingdonshire.gov.uk
- leave a message on the 24 hour telephone hotline: [01480 387080](tel:01480387080).
- write a letter, clearly marking the envelope Strictly Private & Confidential to:

Internal Audit 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 (People). 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 (People); 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 (People). 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:

Deborah Moss, Internal Audit Manager

 01480 388475

or

Oliver Morley, (Interim) Managing Director

 [01480 388103](tel:01480388103)

| | |
|----------------------|--------------------------------|
| Version: | June 2023. |
| Frequency of review: | Reviewed annually |
| Approved by: | Corporate Governance Committee |

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Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Implementation of Internal Audit Actions

Meeting/Date: Corporate Governance Committee – 12th July 2023

Executive Portfolio: Executive Councillor for Corporate & Shared Services, Councillor Martin Hassall

Report by: D Moss, Internal Audit Manager

Ward(s) affected: All Wards

Executive Summary:

Key performance indicator: 100% of audit actions to be implemented by the agreed date. KPI not achieved, but improvement in percentage implemented.

Performance in the last 12 months* to 15th June 2023:

32 actions implemented - 24% implemented on time, increasing to 65% including those implemented late
67% reported as implemented at last report

17 actions still to be implemented – 35%
(actions due before the last 12 months period are not included)*

26 overdue audit actions remained outstanding at 15th June 2023
(up from 18 in the last report)

11 actions implemented and closed since in last 90 days

70 audit actions closed in last year since June 2022

43 open audit actions at June 2023

Recommendation:

It is recommended that the Committee consider the report and comment on the progress achieved and state any action they wish to be taken.

1. PURPOSE OF THE REPORT

1.1 To update members on the implementation of audit actions.

2. WHY IS THIS REPORT NECESSARY?

2.1 To give visibility to members of the progress being made in closing out audit actions, or alternative measures being taken to mitigate risk impacts.

3. BACKGROUND

3.1 Following each audit review, audit conclusions, associated actions and implementation dates are agreed between the audit client and the audit team. Recommended actions following an audit are discussed, and the audit report is a record of what has been agreed by way of actions and their target dates.

3.2 The target for the implementation of 'agreed internal audit actions to be introduced on time' is set at 100% in line with best practice that suggests that all recommendations are implemented by the agreed deadline. The deadline date is set/agreed with the client service; actions should be completed by their target date or reasons presented where this is not possible eg system changes take longer than expected or other service demands which carry a greater risk take priority.

4. NON-IMPLEMENTATION OF AUDIT ACTIONS

4.1 Operational circumstances sometimes mean non-implementation or missed deadlines for an audit action. Increased efforts have been made to ensure Service Managers are aware of outstanding actions, update whether progress has been made or operational factors have impacted on their implementation. Overdue actions are also reported to Committee for governance oversight.

4.2 Extensions to deadlines are no longer given. Instead, Action Owners can insert their own 'progress update', which will give a better indication of work being taken to implement the action and to notify any reasons for delay.

4.3 As at the 15th June 2023, **26** audit actions have not been implemented within target and are now overdue actions. This includes all overdue actions (not just those due in the last 12 months) to give a more accurate reflection.

[18 were reported at last report.]

A summary is provided at Appendix 1 below.

Of these 26 overdue actions:

- - 3 (*last report 3*) actions 2 years+
- 6 (*last report 4*) actions are 1 year+
- 4 (*last report 4*) actions are between 6 months & 1 year overdue
- 13 (*last report 7*) actions are less than 6 months overdue

- 4.4 In preparation for this report, owners of overdue audit actions have been asked to provide an update as to the status/progress of their action(s). The detail in Appendix 1 provides this 'last update' from the action owner. This gives Members further information as to the progress being made and potentially a new expected completion date. This provides meaningful information outstanding action progress, delays or hold-ups.
- 4.7 Officers with actions assigned to them have direct access to the system to enable them to manage those actions. Reminders are sent from the 4Action system in advance of the target date and managers are expected to act on these. Following last committee, the Audit Manager has suggested to SLT leads that they discuss and actively monitor their Services' audit actions during 1.2.1.s with their managers.
- 4.8 Three overdue actions relating to Payment Card Industry compliance are due to be closed and one new consolidated action is to replace them with a new implementation date of September 2024. This will now 'drop off' the overdue list but in order to maintain visibility on progress for Committee, the Director of Finance & Corporate Resources has agreed to provide verbal updates as required.

5. KEY IMPACTS

- 5.1 It is important that the Council maintains a sound internal control environment. Actions that the Internal Audit Service propose to address risk and control weaknesses are discussed with appropriate members of the Service and, if appropriate, Directors, and agreement is reached as to any corrective/mitigating action that needs to be taken. Internal audit actions are not imposed on management or Services.
- 5.2 Actions that are proposed by Internal Audit but not agreed by the Service are included in the Internal Audit report, together with response/ details as to why the Service does not agree to implement. Senior Management would be asked to decide on whether the action needs to be taken or risk accepted (with reference to risk appetite).
- 5.3 An action that is not implemented means that the weakness or risk originally identified in the audit report, and which the action was designed to address, will remain as a risk albeit other controls within the organisation may mitigate the impact.

6. LINK TO THE CORPORATE PLAN

- 6.1 The Internal Audit Service provides independent, objective assurance to the Council by evaluating the effectiveness of risk management, control, and governance processes. It identifies areas for improvement across these three areas such that Managers can deliver the Corporate Plan objectives as efficiently, effectively and economically as possible, and all underpinned by good governance.

7. RESOURCE IMPLICATIONS

- 7.1 There are no direct resource implications arising from this report. Where a Service has not implemented an action because of a resource issue, they are expected to make management and committee aware of this.

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 The report is presented to Committee to give transparency to the progress being made in completing audit actions.

9. LIST OF APPENDICES INCLUDED

Appendix 1 – Overdue Audit Actions at 15th June 2023, updated again 29th June 2023.

BACKGROUND PAPERS

Audit actions contained within the 4Action system.

CONTACT OFFICER

Deborah Moss – Internal Audit Manager

Tel No: 01480 388475

Email: deborah.moss@huntingdonshire.gov.uk

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

| Committee | Decisions | Date for Action | Action Taken | Officer Responsible | Delete from future list |
|------------|--|---------------------------------|---|------------------------|-------------------------|
| 27/01/2021 | <p>The Code of Procurement Waiver Procedure</p> <p>Digest of all uses of the waiver procedure to be presented to the Committee.</p> | At future meetings as required. | Nothing to report. | Procurement Lead | No |
| 25/01/2023 | <p>Appointment of Independent Member to Corporate Governance Committee</p> <p>Delegated authority given to the to the Chair and Vice-Chair, in conjunction with the Corporate Governance Committee, to finalise details including the level of remuneration, term of office, length of appointment and start date of commencement for the appointment of Independent Member(s) to the Corporate Governance Committee.</p> | 30/05/2023 | <p>Council approved the appointment of up to 2 non-voting Independent Members to the Committee at its meeting on 22 February 2023.</p> <p>Brief update received from Internal Audit Manager on progress at 26th April 2023 meeting. A model job description has been obtained and there are plans to advertise the posts locally through the SOLACE website and also to share the opportunity with neighbouring authorities.</p> <p>Progress ongoing which was reported at the 30th May 2023 meeting.</p> | Internal Audit Manager | No |

CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

| | | | | | |
|-------------------|---|-----|--|---|----|
| | | | Further update to be provided at the 12th July 2023 meeting. | | |
| 26/04/2023 | <p>Shadow Cabinet Members</p> <p>Raised by Councillor J A Gray. Elections & Democratic Services Manager undertook to take this forward in conjunction with the Managing Director (Interim) outside of the meeting.</p> | TBC | Update received from Managing Director (Interim) on 30th May 2023 that this matter would be considered alongside a wider constitutional review. Unable to provide an indicative date of when this will be owing to the ongoing recruitment to fill the Chief Executive and Corporate Director (Place) posts. | Elections & Democratic Services Manager & Managing Director (Interim) | No |

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