

## 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 Wednesday, 27 November 2024

PRESENT: Councillor M J Burke – Chair.

Councillors J A Gray, A R Jennings, D J Shaw, I P Taylor and N Wells.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillor P J Hodgson-Jones and P Webb.

### **37 MINUTES**

The Minutes of the meeting of the Committee held on 25th September 2024 were approved as a correct record and signed by the Chair.

### **38 MEMBERS' INTERESTS**

No declarations were received.

### **39 APPOINTMENT OF VICE-CHAIR**

A proposal to elect Councillor D Shaw to be the Vice-Chair of the Committee was moved and seconded.

A proposal to elect Councillor P J Hodgson-Jones to the Vice-Chair of the Committee was also moved and seconded. On being put to the vote, this proposal was declared to be LOST.

Whereupon, it was

RESOLVED

that Councillor D Shaw be appointed Vice-Chair of the Committee for the remainder of the Municipal Year.

### **40 COMPLAINTS AND COMPLIMENTS**

The Committee gave consideration to a report (a copy of which is appended in the Minute Book) providing Members with information on complaints received by the Council between April 2023 – March 2024 and complaints referred to the Local Government & Social Care Ombudsman (LGO).

The Business Change Manager reported that there had been an increase in the number of Stage One and Stage Two complaints when compared to the previous

year. Whilst these numbers had increased, 94.2% of Stage One complaints and 84.9% of Stage Two complaints had been resolved within time against targets of 90% respectively. 19 complaints had been received by the LGO over the reporting period, of which three detailed investigations had been carried out, one of which had been upheld.

The Committee's attention was then drawn to the number of compliments which had been received and recorded. Members were mindful that this data was not truly reflective of the Council's overall position but that service managers were being reminded to populate the compliments tracker regularly.

In response to a question raised by Councillor A R Jennings which referred to Appendix 6 identifying the LGO Neighbouring Authority Statistics, the Business Change Manager reported that the figures should be treated with caution as there were multiple factors to consider when comparing the Council against other authorities which included demographics and local issues such as garden waste and planning.

A question was then raised by Councillor D Shaw on whether feedback was provided to Customer Services representatives on any complaints they might have received or dealt with. The Interim Corporate Director (People) responded that no formal process for this was yet in place but that customer call backs were undertaken and that staff feedback was provided. Additionally it was noted that calls were recorded and monitored for training and monitoring purposes.

Whereupon, it was

RESOLVED

that the data relating to formal Stage One and Stage Two complaints received (2023/24) and the Local Government & Social Care Ombudsman local authority report for Huntingdonshire District Council 2023/24 be received and noted.

#### **41 APPROVAL FOR THE PUBLICATION OF THE ANNUAL GOVERNANCE STATEMENT 2022/23 AND ANNUAL FINANCIAL REPORT**

*Ms C Mellons, Audit Partner, Ernst & Young LLP, was in attendance for consideration of this item.*

A report by the Corporate Director (Finance and Resources) was submitted (a copy of which is appended in the Minute Book) which outlined the processes for finalising and publishing the Council's Annual Governance Statement and Annual Financial Report for 2022/23.

In introducing the report, the Corporate Director (Finance and Resources) paid tribute to the Chief Finance Officer and her team for their hard work in finalising the accounts. Attention was then drawn to a number of minor changes which had been made to the Statement of Accounts 2022/23 and the Management Representation Letter 2022/23 since the agenda was published (a copy of which is also appended in the Minute Book).

Ms C Mellons, the Council's Audit Partner was then provided with an opportunity to present the Completion Report for those Charged with Governance including the draft Audit Report. In doing so, the Committee's attention was drawn to the disclaimed audit opinion and value for money commentary.

Questions were raised by Councillor A R Jennings querying the number of local authorities receiving disclaimed audit opinions and whether or not the Council would be in a similar position again with the 2023/24 accounts. In terms of the latter, he specifically queried how long the recovery phase would be and whether the resourcing issues within the audit sector remained a challenge. Ms C Mellons responded that over 400 disclaimed audit opinions had been issued and that a number of external factors influenced the recovery phase such as CIPFA and National Audit Office guidance. It was however acknowledged that the recovery process would be a difficult task and that a cross-party working group had been set up with partners to address these issues. In terms of the 2023/24 accounts, it was noted that the number of audits had been reduced in line with the framework which would hopefully relieve some of the ongoing audit resource pressures.

Councillor J A Gray queried what sensitivities/analysis had been placed by the auditors upon the 2022/23 accounts, a time when the Council had changed its political administration. Ms C Mellons undertook to investigate the matter with the previous Audit Manager and report back to the Chair outside of the meeting. She did however inform the Committee that a standard work programme would have been followed to review the budget and approvals process. A subsequent question was then raised on whether there were any concerns that the auditors wished to raise with Committee Members. The Corporate Director (Finance and Resources) reported that going forward, there would be an opportunity for the Committee to hold private meetings with the Internal Audit Manager and External Auditors. Ms C Mellons responded that if there were any significant concerns, these would have been raised with the Corporate Director (Finance and Resources) and Chief Finance Officer directly.

In response to a question raised by Councillor A R Jennings, assurances were delivered by Ms C Mellons and the Corporate Director (Finance and Resources) that no further delays were expected with finalising the 2023/24 accounts which were due to be presented to the Committee at its January 2025 meeting.

Councillor A R Jennings then expressed his personal and professional view that the weakness which had been identified relating to the delays with the publication of the draft accounts was not regarded as significant and felt that this could be better reflected within the External Auditor's report.

Whereupon, the Committee

**RESOLVED**

- (a) to receive and discuss the Completion Report for Those Charged with Governance 2022/23 (Appendix 1);
- (b) to approve the Annual Governance Statement (Appendix 2) and authorise the Executive Leader and Chief Executive Officer to sign the Statement on behalf of the Council;

- (c) to approve the Letter of Representation (Appendix 3) and authorise the Corporate Director (Finance and Resources), as Section 151 Officer to sign it on behalf of the Council;
- (d) to give delegated powers to the Chairman of the Committee and the Corporate Director (Finance and Resources), as Section 151 Officer to authorise and sign the Annual Financial Report for 2022/23 (Appendix 4) on behalf of the Council; and
- (e) to give delegated powers to the Corporate Director (Finance and Resources) in conjunction with the Chairman of this Committee, to ensure that any minor amendments to the statement of accounts are completed before final publication.

## **42 INTERNAL AUDIT SERVICE: PROGRESS REPORT**

The Committee received and noted a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) informing the Committee of the work completed/undertaken by the Internal Audit Service.

The Internal Audit Manager reported that two audits had been completed since the previous Committee meeting on Commercial Estates Rent Review and Green Bins. Additionally, the action plan for the Code of Procurement audit and report for the Whistleblowing review were being finalised. 17 audit actions were currently overdue, of which 5 have recently been completed.

Following comment made by Councillor D Shaw about the lack of movement in audit actions since the previous meeting, the Internal Audit Manager reported that he was having a good level of interaction with teams across the Council and that a number of outstanding actions would be picked up as part of the Code of Procurement action plan. In terms of those actions relating to risk management, the Corporate Director (Finance and Resources) reported that following an unsuccessful recruitment campaign to the Risk and Controls Officer post, the Council had engaged with RSM to support the delivery of the Council's risk management function utilising the 4risk management software system. RSM would be reaching out to the Committee and Service Managers in due course and it was anticipated that a workshop/training session on Risk Management would be arranged for Members. The Corporate Director (Finance and Resources) acknowledged the challenges the Council currently faced in this area and reported that the initial agreement/support period would be until March 2025.

In response to a question raised by Councillor J A Gray, the Internal Audit Manager reported that he had not been informed of any risk events over the last two months.

**RESOLVED**

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

## **43 IMPLEMENTATION OF INTERNAL AUDIT ACTIONS**

A report by the Internal Audit Manager was submitted (a copy of which is appended in the Minute Book) updating Members on the implementation of audit actions.

As at 15 November 2024, 16 actions had not been implemented by the due date, 5 actions had been implemented and closed off in a rolling 90 day period, 53 actions had been closed off in a rolling 12 month period and 31 audit actions remained open. Specific mention was made to the audit actions relating to small works contract, overtime, Corporate Enforcement Policy and the various actions relating to social value in procurement. The Internal Audit Manager was hopeful that some traction on all actions would be achieved by the end of the financial year.

Whilst Committee Members had expressed some disappointment at the lack of progress made, the Corporate Director (Finance and Resources) delivered assurances that the Council's Senior Leadership Team took ownership of the delivery of the actions and that efforts were being made to ensure audit action owners were providing timely updates and taking action wherever necessary.

The Committee then proceeded to raise questions/comments about specific audit actions which were responded to at the meeting by the Internal Audit Manager and Corporate Director (Finance and Resources). These included Tree Management, progress with the Corporate Enforcement Policy, an update on debt management and whether the social value procurement actions would be reflective of the new procurement regulations which were due to be released in February 2025. An update was then delivered on the interim resource that had been secured to cover the Procurement Lead post in anticipation of the forthcoming departure of the current postholder. It was reported by the Corporate Director (Finance and Resources) that resources in this area would be increased in the New Year to support the Council's procurement function.

Whereupon, it was

RESOLVED

that the Committee has considered the report and commented upon the progress achieved to date.

#### **44 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 Corporate Director (Finance and Resources) reported that a comprehensive update on the Corporate Risk Register would be provided at the Committee's January 2025 meeting. Members were advised that there were no concerns to report at present.

Councillor J A Gray then delivered a brief update on the latest meeting of the Constitution Review Working Group on 12th November 2024 which had been a very productive meeting on the Council Procedure Rules.

#### **45 EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED

that the press and public be excluded from the meeting because the business to be transacted contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### **46 EXTERNAL QUALITY ASSESSMENT- INTERNAL AUDIT**

The Committee received a report on External Quality Assessment readiness of the Council's internal audit function (a copy of which is appended in the Annex to the Minute Book).

Members received an introduction to the report from the Internal Audit Manager with attention then having been drawn to the action plan appended to the report. Members discussed, questioned and challenged various aspects of the report. Responses were provided by the Internal Audit Manager and Corporate Director (Finance and Resources).

*The meeting closed at 8:14pm.*

Chair