

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, CAMBS, PE29 3TN on Thursday, 18 April 2024.

PRESENT: Councillor N Wells – Chair.

Councillors A Blackwell, J E Harvey,
P J Hodgson-Jones, A R Jennings,
P Kadewere and I P Taylor.

APOLOGY(IES): Apologies for absence from the meeting were submitted on behalf of Councillors E R Butler, J Clarke, J A Gray, S A Howell and T D Sanderson.

56. MEMBERS' INTERESTS

No declarations were received.

57. CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE

With the aid of a report prepared by the Director of Finance & Corporate Resources (a copy of which is appended in the Minute Book) the Committee received and noted a report (a copy of which is appended in the Minute Book) that presented the findings of the subgroup established to (Minute 55 refers) review of the Terms of Reference (ToR) for the Corporate Governance Committee (CGC) and also the committee membership (inc. the size of the committee and whether this was effective. The main points covered in the discussion maybe summarised as follows:

By way of background, the Director of Finance & Corporate Resources reported that the Local Government Association (LGA) peer review of Internal Audit undertaken in March 2023 had identified the Committee's Terms of Reference had not been regularly reviewed and therefore may not reflect current legislation and Chartered Institute of Public Finance and Accountancy (CIPFA) recommendations.

Members noted that the subgroup had considered the existing ToR for the CGC against the model ToR as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) for audit committees. The model ToR it was noted covered all the current legislation requirements and the CIPFA

recommendations. However, whilst linked to governance did not cover additional responsibilities which CGC holds for the Council in relation to Constitutional, Conduct and Regulatory Arrangements. Accordingly, the subgroup recommended that the model CIPFA ToR should be adopted, with an additional section added to incorporate those duties relating to Constitutional, Conduct and Regulatory Arrangements (a copy of the revised ToR is appended in the Minute Book). In addition, Members agreed that the Terms of Reference (ToR) for the Corporate Governance Committee should be regularly reviewed against CIPFA best practice standards and other examples of best practice from across the sector to ensure continuous improvement.

The Committee also recognised that its membership of CGC at twelve members plus two independent members is a larger committee than is considered to be ideal and accordingly the subgroup having (i) reviewed and compared existing terms of reference with those model terms provided by the Chartered Institute of Public Finance and Accountancy (CIPFA), (ii) identified areas not covered by the existing terms and decided to include them as a separate section; and (iii) additional section added for constitutional conduct and regulatory arrangements, including duties of the Committee within Huntingdonshire District Council (HDC).

Accordingly, the Committee having considered and commented on the report **RESOLVED** to

- (a) endorse a variation to the Terms of Reference of the Corporate Governance Committee;
- (b) endorse the proposal to amend the Committee's membership as detailed in paragraph 2.1; and
- (c) recommend that the Terms of Reference of the Committee be reviewed on an annual basis to ensure they remain current.

58. LGA GOVERNANCE PEER CHALLENGE FEEDBACK REPORT

With the aid of a report prepared by the Director of Finance & Corporate Resources (a copy of which is appended in the Minute Book). The Committee receive the LGA Governance Peer Challenge report that provided an update on progress against the recommendations since 28th February 2024. The main points of the discussion are summarised as follows:

By way of background, the Director of Finance & Corporate Resources reported that the Committee was reminded that the Council had invited the Local Government Association (LGA) to undertake an Audit Peer Challenge in March 2023. The LGA peer review team made a number of recommendations during

the review and an Action Plan was developed to address these points.

Members also noted that there is an expectation that the LGA peer review team would return to assess progress on recommendations within six months. Accordingly, following appointment of the new Chief Executive and growing national interest in local government governance, audit and risk, the Council invited the peer review team to return to assess progress and provide independent advice on questions posed by the Corporate Governance Committee and consider any new recommendations that should be implemented.

Accordingly, the peer team returned on the 28th of February 2024, having reviewed a number of documents prior to their arrival and whilst on site, gathered more information from twelve meetings; during which they had met with twenty-seven people, which included a range of elected Members and Officers.

Members noted that the peer team made five further actions the first concentrating on progress of the initial seventeen actions from the March 2023 visit, and the remaining four were new, having regard to wider corporate governance aspects. Members agreed that the report also had provided helpful insight and wider observations and requested updates on the progress of those incomplete actions. Accordingly, the Committee noted that:

- ❖ Action 1 the assessment of the training needs of the committee and the completion of a skills matrix will be completed by mid-May. Members noted the very positive support provided by the Vice-Chair Councillor Harvey in facilitating in the completion of this task.
- ❖ Action 2 in regard to the terms of reference; and Action 5 the role of the corporate governance committee within HDC this has now been completed (**Item 57 refers**).
- ❖ Action 6 the skills matrix review of the Senior Leadership Team will have been completed the end of April.
- ❖ Action 9 on the risk register, and the creation of the audit plan for next year is ongoing and will be reported to the Committee on 29th May 2024.
- ❖ Action 10 Noted that the risk management maturity exercise is ongoing.
- ❖ Action 12 A calculation of auditor's chargeable time is being worked on and will be completed as part of the Annual Audit Plan. The skills and knowledge assessment

are still to be undertaken but a skills matrix for the Internal Audit team has been started to capture the qualifications, experience, skills and preferences for each auditor and will be completed by the end of May.

- ❖ Action 13 The internal assessment to reference available evidence to support conformance for each standard in preparation for a full External Quality Assessment will be dependent upon the outcomes of the report by Binder Djker Otte who have been commissioned to undertake a review that will provide a report on external quality assessment by the end of May.
- ❖ Action 14 Noted that the detailed QAIP (quality assurance & improvement plan) is dependent upon the outcomes of the report from BDO and whilst unable to complete this action by the end of May the progress can be shown to LGA.
- ❖ Action 15 Once BDO have completed their assessment a submission will be made in regard to the New Ideas process to enable investment in the appropriate skills and procurement of the necessary software.
- ❖ New Action 2 Regarding the provision of immediate additional senior officer capacity and experience to the internal audit and risk functions is to submit to SLT for funding approval. In addition, following a question raised by Councillor Jennings it was noted that once the funding has been agreed that it is anticipate that the post will be filled within a few weeks.

Councillor Wells then referenced the level of detail required in internal audit team's reports and the Committee whilst accepting that there has been a slight deficit in the current level of detail HDC are seeking additional capacity from Cambridge City Council's audit manager and the HDC Monitoring Officer to ensure there proper oversight and internal insight.

Following on from that point Councillor Kadewere asked for clarification in regard to the skills metrics for the Committee Members and it was noted that the skills required included a combination of life experiences and specific knowledge and once any gaps have been identified training will be organised to develop the necessary skills.

Finally, as a result of a question from Councillor Hodgson-Jones on the verification of the capacity of Monitoring Officer (MO) it noted that (i) Tom Lewis the current MO is accountable to the Chief Executive and that the recommendation is to verify that his capacity is sufficient for HDC; and (ii) the Chief Executive

has expressed her satisfaction with the performance of the current MO.

Accordingly, the Committee having considered and commented on the report **RESOLVED** to:

- a. to receive the LGA Governance Peer Challenge report, **Appendix 1**, and note the recommendations; and
- b. to note **Appendix 2**, which provides an update on progress against all the proposed recommendations.
- c. that **Council** receive the LGA Governance Peer Challenge report, **Appendix 1**, and note the recommendations; and
- d. that **Council** note **Appendix 2**, which provides an update on progress against all the proposed recommendations.

Chair