

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 12 June 2019.

PRESENT: Councillor L W McGuire – Chairman.
Councillors S M Burton, E R Butler,
Dr P L R Gaskin, D N Keane and
H V Masson.

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

4. MINUTES

The Minutes of the meetings of the Committee held on 27th March 2019 and 15th May 2019 were approved as a correct record and signed by the Chairman.

5. MEMBERS' INTERESTS

No declarations were received.

6. UPDATE ON CODE OF CONDUCT AND REGISTER OF DISCLOSABLE PECUNIARY INTERESTS

With the aid of a report prepared by the Member Support Assistant (a copy of which is appended in the Minute Book) the Committee were updated on the adoption of Codes of Conduct by Town and Parish Councils and the receipt and publication of register of interests forms on behalf of District, Town and Parish Councillors.

Attention was drawn to the sudden resignation of the Parish Clerk and all remaining Councillors at Woodwalton Parish Council. The Parish Clerk vacancy had now been filled and work was underway to co-opt individuals on to the Parish to fill the vacancies.

Following a question raised by a Member, the Elections and Democratic Services Manager undertook to review the Codes of the two Parishes whom have adopted their own Code. Whereupon, it was

RESOLVED

that the contents of the report now submitted be noted.

7. CODE OF CONDUCT COMPLAINTS - UPDATE

By means of a report by the Elections and Democratic Services Manager (a copy of which is appended in the Minute Book), the Committee were provided with a summary and update of completed

and ongoing complaints received regarding alleged breaches of the Code of Conduct under the Localism Act 2011 since the start of the year. With regard to case number 19/24, a Standards (Hearing) Sub-Committee would be held on 26th June 2019 to consider the report produced by the Independent Investigator.

RESOLVED

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

8. 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 any action or to be taken in connection with the prevention, investigation or prosecution of crime.

9. ANNUAL REVIEW OF BENEFITS RISK BASED VERIFICATION POLICY

(At 7.10pm, during discussion on this item, Councillor P L R Gaskin took his seat at the meeting).

The Committee gave consideration to a report by the Revenue and Benefits Manager (a copy of which is appended in the Annex to the Minute Book) reviewing the Council's use of the Benefits Risk Based Verification Policy in the administration of Housing Benefit and Council Tax Support. The policy had been updated to reflect the impact of the increase in online accounts for banking and other services and the move to allow customers to upload evidence to the Council's computer system.

The Committee discussed a number of matters including the process by which documents were checked and verified, the security surrounding the systems used to upload and manage documents, the reasons why those residing within a hostel were exempt from providing a valid National Insurance Number, how the Council determined its robust baseline against which to record the impact of risk based verification and the benefits to the Council of adopting the policy.

In noting the requirement for the Committee to approve the policy annually, it was

RESOLVED

that the content of the report now submitted, which sets out how Risk Based Verification is used at Huntingdonshire District Council in the administration of Housing Benefit and Council Tax Support, be endorsed.

10. RE-ADMISSION OF THE PRESS AND PUBLIC

RESOLVED

that the press and public be re-admitted to the meeting.

11. REVIEW OF FRAUD INVESTIGATION ACTIVITY

Consideration was given to a report by the Corporate Fraud Manager (a copy of which is appended in the Minute Book) detailing the work undertaken by the Corporate Fraud Team in 2018/19 which included the number of investigations undertaken, types of investigation and the value of the fraud identified. Members were required to review the work of the Team as part of the Council's Anti-Fraud and Corruption Strategy.

In response to a question raised by the Chairman, the Corporate Fraud Manager provided an explanation as to why the number of penalties and fines were lower when compared to the number of prosecutions. Whereupon, it was

RESOLVED

that the contents of the report now submitted, which outlines the work undertaken by the Corporate Fraud Team during 2018/19, be received and noted.

12. WHISTLEBLOWING POLICY, GUIDANCE AND CONCERNS RECEIVED

The Committee gave consideration to a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) on the outcome of a review of the Whistleblowing Policy and Guidance. The review found that only minor changes were required.

Members' attention was drawn to the whistleblowing allegations received in the year ending March 2019. One allegation had been made by an Officer and one had been received from a member of the public. The outcome of both cases was noted.

Having been informed of the addition of the word "updated" in the second recommendation contained within the report, the Committee

RESOLVED

- (a) that the results of the annual review of the whistleblowing policy be noted; and
- (b) that the updated Whistleblowing Policy and Guidance, as attached as Appendix 1 and 2 of the report now submitted, be approved.

13. INTERNAL AUDIT SERVICE: ANNUAL REPORT 2018/19

In compliance with the Public Sector Internal Audit Standard, the Committee gave consideration to the Internal Audit Service Annual Report and opinion by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book).

The Head of Resources drew Members' attention to the second

paragraph and explained why views on the effectiveness of the key controls associated with the financial management system had not been included in this year's Audit Opinion. An explanation was then delivered on matters requiring the Committee's attention; namely debt management, small works contract and implementation of agreed audit actions on time. The Committee raised a number of questions and received a response from the Head of Resources on each. In terms of the latter, assurances were received that the matter had been raised with Directors and Heads of Service at a recent Senior Leadership Team meeting. With regard to the former, an explanation was delivered on the process by which debts were written off and the involvement of the Executive Councillor for Strategic Resources in this respect. Other matters discussed included the lead authorities of the services falling within 3C shared services, why limited assurance had been provided on the IT disaster recovery audit and the risks to the Council of the small works contract.

In response to requests made by the Committee, the Head of Resources undertook to circulate details about what action was being undertaken by 3C shared services in respect of debt management and IT disaster recovery. Whereupon, it was

RESOLVED

- (a) that the content of the report now submitted be noted; and
- (b) that the Internal Audit and Risk Manager's opinion be taken into account when considering the Annual Governance Statement for 2018/19.

14. ANNUAL REPORT OF THE COMMITTEE

Consideration was given to a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) to which was appended the Committee's draft Annual Report to Council for the year ending 31st March 2019.

Having had their attention drawn to the low return of skills and training needs assessment forms from Committee Members, it was agreed that the forms should be circulated again by the Internal Audit and Risk Manager.

Subject to the inclusion of additional text by the Chairman in the introductory section of the report and in noting that an update had been provided by the Head of Development on the effectiveness of the Finance and Procurement Governance Board in the Committee's Progress Report (Minute No. 19/15 refers), it was

RESOLVED

- (a) that the Corporate Governance Committee Annual Report to Council for the year ending 31st March 2019 be approved for submission to the Council; and
- (b) that the Internal Audit and Risk Manager be authorised, after consultation with the Chairman of the Committee,

to approve any amendments to the Report.

15. CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

The Committee received and noted a report (a copy of which is appended in the Minute Book) on progress of actions in response to decisions taken at previous meetings. The Committee agreed to the removal of "Governance Boards – Effectiveness Review" from the progress report.

RESOLVED

that the contents of the report be noted.

16. AUDIT OF 2018/19 FINAL ACCOUNTS

At the conclusion of the meeting, the Head of Resources apprised the Committee with issues around the audit of the 2018/19 final accounts. Owing to a lack of resource within Ernst and Young, the audit would not be completed before the deadline of 31st July 2019. Despite this, the Council would still be required to publish the accounts with a statement explaining why they had not been audited.

The Head of Resources explained that the matter had been drawn to his attention 5-6 weeks ago and since then, he had written to numerous individuals and organisations including the Chief Executive of Public Sector Audit Appointments (PSAA), Chartered Institute of Public Finance and Accountancy (CIPFA), Ernst and Young LLP, local MP and the Local Government Association (LGA). A meeting had been held with the Chairman of PSAA and representatives from Ernst and Young but little progress had been made.

Members expressed their grave concerns over the matter and commented that this was particularly disappointing given that the Council would be in the first of its five year contract with PSAA. In response to questions, Members noted that the final accounts were likely to be presented at the Committee's October 2019 meeting. PSAA were yet to confirm a date for when the audit would be complete. This was of particular concern as it was impacting upon the availability of the Financial Services Team over the summer holiday period. In concluding their discussions, Members noted that the Head of Resources would be inviting representatives from Ernst and Young LLP to the Committee's July 2019 meeting to provide an update on the latest position.

Chairman