

**Public**  
**Key Decision - No**

## **HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Annual Report of the Committee

**Meeting/Date:** Corporate Governance Committee – 13th July 2022  
Council – 20th July 2022

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

**Report by:** Deborah Moss, Internal Audit Manager

**Ward(s) affected:** All Wards

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### **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 2021/22 is attached at Appendix 1. It has been prepared by the Internal Audit Manager. It summarises the work undertaken by the Committee during 2021/22 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 Chairman 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 Chairman 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 2021/22 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 Democratic Services Officer, 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 31<sup>st</sup> March 2022

### **CONTACT OFFICER**

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## **Appendix 1**

### **Corporate Governance Committee**

### **Chairman's Annual Report to Council for the year ending 31st March 2022**



## **Introduction by the Chair of the Corporate Governance Committee**

This report summarises both the Committee's activities during 2021/22 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 report is issued in the context that there has been a change in Administration following the 4th May 2022 election. As the new Chair of the Corporate Governance Committee, I intend to ensure that that Committee maintains and supports the enhancement of Huntingdonshire District Council's Corporate Governance Framework.

I thank the previous Chair, Officers and previous members of the Committee for their commitment within the timeframe of this report, and for the level of oversight, review and challenge that has been maintained in the year of this Report.

As the Chair of the new Committee, I support my predecessors' focus on the following key issues, while seeking opportunities for the Committee to work with Officers to enhance levels of delivery in the year 2022-23:

1. To continue to make progress in resolving issues raised in previous annual governance statements, and to increase the rate of progress in the coming 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.
6. Receive assurances that probity and accountability can be maintained and services delivered effectively and efficiently during peaks in the Covid-19 pandemic, with the associated possible risk to need to close offices and temporarily introduce remote working.

I note the reference to the need for a skills and training assessment for Committee members to identify training needs as mentioned in both this year's and the previous year's annual report. It is obviously important that members have the knowledge to be effective on this Committee, and so the Committee needs to take steps to increase its focus on addressing any such knowledge deficit in the year 2022-23.

Councillor Nic Wells, Chair, Corporate Governance Committee  
June 2022

## **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.

## Matters considered

The table below groups into six categories the significant issues considered by the Committee during 2021/22. A brief summary of the issues considered within each of the categories is included on the following pages.

Annual Committee appointments were made on 19 May 2021 at the Annual Council Meeting.

		2021			2022	
		Jun	Jul	Sept	Jan	Apr
<b>1</b>	<b>Constitution</b>					
	Code of Financial Management	■				
	Proposal to Uplift the Code of Procurement Thresholds				■	
	Disposals and Acquisitions Policy: Land and Property – Update on Thresholds				■	
<b>2</b>	<b>Governance issues</b>					
	Approval for Publication of the 2020/21 Annual Governance Statement					■
	Annual Complaints Report 2020/21			■		
	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					■
<b>3</b>	<b>External Audit (EA) &amp; Financial Reporting</b>					
	Draft 2020/21 Annual Financial Report and Approval for Publication of the Annual Governance Statement		■			
	External Audit Plan 2020/21		■		■	
	Approval for Publication of the 2020/21 Annual Financial Report				■	■
	Annual Report of the Committee	■				
<b>4</b>	<b>Internal Audit</b>					
	IA Service: Annual Report 2020/21		■			
	Progress on the Internal Audit Plan				■	
	Internal Audit Service: Interim Progress Report			■		
	Internal Audit Plan 2022/23 & Internal Audit Charter					■

		2021			2022	
		Jun	Jul	Sept	Jan	Apr
	Implementation of Internal Audit Actions	■		■	■	■
	Whistleblowing (Policy, Guidance and Concerns Received)	■				
<b>5</b>	<b>Standards</b>					
	Code of Conduct Complaints - Update	■		■	■	■
	Update on Code of Conduct and Register of Disclosable Pecuniary Interests	■			■	
	Model Councillor Code of Conduct 2020				■	
	Lead and Deputy Independent Persons				■	
<b>6</b>	<b>Fraud</b>					
	Review of Fraud Investigation Activity 2020/21	■				
<b>7</b>	<b>Other</b>					
	Reorganisation of Community Governance Order - Holme			■		
	Invitation to Become an Opted In Authority: The Local Audit and Accountability Act 2014 and the Local Audit (Appointing Person) Regulations 2015 (The Regulations)				■	

### **Reviewing the Constitution**

#### **Code of Financial Management**

The Committee is responsible for proposing to Council changes to the Council's Constitution. The Code forms part of the Constitution. The only changes were uplifts to the procurement thresholds.

### **Governance of the Council**

#### **Approving the Annual Governance Statement on behalf of the Council**

The Committee approved the 2020/21 Annual Governance Statement (AGS). The format of the AGS 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 2020/21 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.

### **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 2020/21**

The Committee has noted the External Audit Plan 2020/21.

#### **Decision to become an PSAA opted-in authority**

At its meeting in February 2022, Council resolved that Huntingdonshire District Council opt into the national scheme by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

### **Internal Audit**

#### **Receiving the annual audit opinion**

The Committee noted that the 2020/21 annual assurance opinion remained as adequate for the strands 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 resources available throughout the year (due to Covid resourcing) which limited the audit coverage and application of the Audit Plan.

#### **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 2022.

#### **Monitoring of implementation of audit actions**

Committee received regular reports on overdue audit actions. It also welcomed the introduction of written updates from action owners as to progress 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 eight reports during the year on various standards matters:

- The adoption of Codes of Conduct by Town and Parish Councils
- The receipt and publication of register of interests forms on behalf of District, Town and Parish Councillors
- Updates on complaint cases regarding alleged breaches of the Code of Conduct by Members within the Council and Town and Parish Councils.
- The Model Councillor Code of Conduct 2020.
- Lead and Deputy Independent Persons

### **Countering Fraud**

#### **Corporate Fraud Team (CFT)**

CFT's main priorities have involved the support and checking of the additional Business Grants announced by government to provide financial assistance to local businesses. CFT only had short period in between grant schemes to pursue other work. This time has been spent rebuilding working relationships with our Social Housing Providers and concentrating on looking at referrals and in particular Tenancy Fraud issues which saw an increase. This approach was very successful as the CFT have investigated and assisted the Social Housing Providers to recover 6 properties in a period of around four to five months as well as collaborative working. There has only been one application for directed surveillance during the past 12 month and this was for a Fly tipping matter.

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 new Procurement Waiver Procedure and oversight of its usage

### **Committee membership & attendance**

		2021 May	Jun	Jul	Sept	2022 Jan	Apr
Chairman	Cllr G J Bull	■	■	■	--	■	■
Vice-Chairman	Cllr P L R Gaskin	■	■	■	■	■	■
	Cllr E R Butler	■	--	--	■	■	■
	Cllr J C Cooper-Marsh	■	■	--	--	■	--
	Cllr D A Giles	■	■	■	--	--	--
	Cllr K P Gulson	■	■	■	■	■	■
	Cllr P Kadewere	■	■	■	■	■	■
	Cllr H V Masson	■	--	■	■	--	--
	Cllr L W McGuire	■	--	■	■	■	--
	Cllr J P Morris	--	--	■	--	--	--
	Cllr R J West	■	■	■	■	■	■
	Cllr Mrs S R Wilson	■	■	■	■	■	■
Key: ■ attended -- absent							

The following appointments were made to the Committee by the Council.

19 May 2021      Councillors G J Bull, E R Butler, J C Cooper-Marsh, P L R Gaskin, D A Giles, K P Gulson, P Kadewere, H V Masson, L W McGuire, J P Morris, R J West and Mrs S R Wilson.

**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:

- |                                    |   |
|------------------------------------|---|
| <b>Constitution</b>                | Considering proposals to change the Council's Constitutional arrangements and making appropriate recommendations to the Council.  |
| <b>Governance</b>                  | 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.<br><br>Ensuring there are effective arrangements for the management of risk across the Council.<br><br>To consider the arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.<br><br>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. |
| <b>Internal and External Audit</b> | Fulfilling the Board responsibilities of the Public Sector Internal Audit Standards and ensuring effective internal audit is undertaken in accordance with those Standards.<br><br>Receiving and considering external audit reports including the adequacy of management response to issues identified.   |
| <b>Final Accounts</b>              | Approving the accounting policies, statement of accounts and considering any matters arising from the external audit.   |
| <b>Countering Fraud</b>            | Reviewing and monitoring the policy and procedure and arrangements for investigating disclosures under the Public Interests Disclosure Act 1999.<br><br>Monitoring the Anti-Fraud and Corruption Strategy and receive annual updates on countering fraud.   |
| <b>Standards</b>                   | 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.