

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, 13 July 2022

PRESENT: Councillor N Wells – Chairman.

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

4 MINUTES

The Minutes of the meetings of the Committee held on 27th April 2022 and 18th May 2022 were approved as a correct record and signed by the Chair.

5 MEMBERS' INTERESTS

No declarations were received.

6 CODE OF CONDUCT COMPLAINTS - UPDATE

By means of a report by the Elections & Democratic Services Manager & Deputy Monitoring Officer (a copy of which is appended in the Minute Book) the Committee were provided with 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 previous meeting.

Having had their attention drawn to the case outlined in paragraph 3.1 of the report which related to an allegation in which a parish councillor had failed to declare a disclosable pecuniary interest, the Committee noted that the matter had been referred back to the Parish Clerk for investigation. Whereupon, it was

RESOLVED

that the progress of outstanding complaints and the conclusion of cases resolved since the meeting in April 2022 be noted.

7 UPDATE ON CODE OF CONDUCT AND REGISTER OF DISCLOSABLE PECUNIARY INTERESTS

With the aid of a report prepared by the Elections and Democratic Services Manager (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.

By way of background, the Elections and Democratic Services Manager reported that there had been a large turnover of Councillors since the May 2022 elections and that individual Town and Parish Councillors had 28 days within which they had to submit their Disclosable Pecuniary Interests forms. It was noted that Parish Councils have a duty to hold them as public documents and the District Council's responsibility was to maintain the register. Attention was then drawn to the two appendices within the report which showed the position in respect of Disclosable Pecuniary Interests and the adoption of Codes of Conduct respectively.

Matters that were discussed included the role Councillors could play in encouraging those parishes with outstanding forms to complete and return them at their earliest opportunity and the viability of smaller parishes with a large number of vacancies. In terms of the latter, the Elections and Democratic Services Manager responded that in her capacity as Deputy Returning Officer, she communicated regularly with Town and Parish Councils regarding vacancies and explained the ability for parishes to co-opt following a period of 14 days in which vacancies were advertised. The Committee were also reminded that Town and Parish Councils remained separate legal entities within their own right but there were obligations within the Local Government Act 1972 for the District Council to step in and intervene if necessary with a view to ensuring that correct procedures were being adhered to. Whereupon, it was

RESOLVED

that the content of the report now submitted be noted.

8 REVIEW OF FRAUD INVESTIGATION ACTIVITY 2021/22

With the aid of a report by the Corporate Fraud Manager (a copy of which is appended in the Minute Book) the Committee were provided with a summary of the activity of the Council's Corporate Fraud Team in 2021/22.

Members were encouraged to note that during the reporting period, the Team had:

- continued their secondment to help with the award of business grants;
- been involved in nine separate business grant schemes;
- verified and checked business bank accounts and active status to determine eligibility to grant payments;
- assisted in the award of over £9 million worth of grants over the last 12 months; and
- investigated and assisted with the recovery of six Housing Association properties.

In response to a question raised by Councillor I Taylor, the Corporate Fraud Manager confirmed that the figure of £282,000 which related to the recovery of the six social housing properties had been derived from a standard formula used by the Council to calculate the costs associated with each property, including investigation and legal costs, totalling £47,000 per property.

Other matters that were discussed included the role the Council played in working with Chorus Homes to educate its Officers in ways of identifying and

approaching potential tenancy fraud, the size and capacity of the current Team, the complexities which existed around the various business grants schemes which had been exacerbated by the lack of clarity provided by government in its guidance to the Council and the proactive role the Team had played in the delivery of grants prior to payment to the benefit of the Council.

Having commended the Corporate Fraud Manager and her Team for the work they had undertaken over the past and previous year and the performance levels achieved, it was

RESOLVED

that the contents of the report now submitted, which outlines the work undertaken by the Corporate Fraud Team during 2021/22, be received and noted.

9 DRAFT STATEMENT OF ACCOUNTS 2021/22

With the aid of a report prepared by the Chief Finance Officer (a copy of which is appended in the Minute Book) the Committee were updated on the processes for finalising and publishing the Council's Statement of Accounts for 2021/22.

The Director of Finance and Corporate Services reported that it had been yet another challenging year as the COVID-19 pandemic continued to affect service provision, particularly at the beginning of the 2021/22 financial year. Members were encouraged to note that an outturn of £18,674k had been achieved against a budget of £20,686k. In noting the position with regards to income generated from parking charges from Council owned car parks, the outturn levels achieved from the Council's commercial tenants and the savings achieved by waste services, the Committee's attention was then drawn to the requirement to publicise the unaudited Statement of Accounts for 2021/22 and the Annual Governance Statement. Whereupon, the Committee

RESOLVED

(a) to approve the Unaudited Statement of Accounts (as at Appendix A of the report now submitted); and

(b) to approve the Notice of Publication (as at Appendix B of the report now submitted).

10 IMPLEMENTATION OF INTERNAL AUDIT ACTIONS

With the aid of a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) the Committee were updated on the implementation of internal audit actions.

The latest data now revealed 54% of actions being introduced on time (including those with late implementation) and 37 overdue audit actions remained outstanding. It was further reported that 28 actions had not been implemented. Having regard to the overdue actions, the Internal Audit Manager reported that Senior Leadership Team were sighted on these via the Risk and Controls Group monthly report.

In discussing the risk placed upon the Council of those actions identified “red”, the Managing Director responded that Senior Leadership Team were now more proactive in their approach to support the introduction of audit actions. She further assured Members that a balanced view on the approach to the risks identified was being undertaken.

A discussion then ensued on ICT related risks, specifically cyber security where it was reported that a number of preventative measures were being undertaken which included security updates, penetration tests and sending “bogus” emails to Officers. Other matters that were discussed included the length of time some of the audit actions had been outstanding together with their relevance, whether the Council was insured for cyber related attacks, the extra resources in place within 3C ICT for a Cyber Security Team, the existence of business continuity plans and the availability of specialist expertise services in the event such an incident occurred at the Council.

The Committee then discussed the value and importance of information, the cultural changes that were occurring within the Council to positively reposition the perception of Internal Audit together and the need to encourage greater levels of accountability amongst senior managers for audit actions. Having agreed to a suggestion made by the Managing Director tasking the Corporate Director (People) and the Executive Councillor for Corporate and Shared Services with reviewing the outstanding audit actions with a view to closing some down, it was

RESOLVED

- (a) that the content of the report now submitted be noted; and
- (b) that the Corporate Director (People), in conjunction with the Executive Councillor for Corporate and Shared Services, be tasked with reviewing the outstanding audit actions and submit a report back to the Committee at its 28th September 2022 meeting.

11 INTERNAL AUDIT SERVICE: ANNUAL REPORT 2021/22

In compliance with the Public Sector Internal Audit Standards, the Committee gave consideration to the Internal Audit Service Annual Report 2021/22 (a copy of which is appended in the Minute Book).

The Internal Audit Manager drew Members’ attention to the Audit Opinion for 2021/22 which gives “adequate assurance” of the control environment. It was further reported that a limitation of scope was also in place in respect of risk management, which had been excluded from the audit opinion. The Internal Audit Manager then went on to report that there was some evidence to suggest that the assurance level had dropped in some areas but that the matter had been drawn to management’s attention and an action plan would be put into place to address these concerns with a view to improving the internal control assurance in the area.

It was noted that the opinion had been based on the outcome of 12 audit reviews, 3 follow ups and 7 key financial systems. The Committee noted the five new areas requiring Members attention, namely:

- 1) Risk Management
- 2) Cyber Security
- 3) Debtors and Creditors
- 4) Implementation of Audit Actions; and
- 5) Small Works Expenditure.

In response to a question raised by Councillor E R Butler concerning debtors and creditors, the Internal Audit Manager reported that the Council's Transformation Team would be working with the Finance Team to improve the level of control in that area. Having expressed a preference to receive the outcome of audit reports each quarter, it was

RESOLVED

- (a) that the content of the report now submitted be received and noted; and
- (b) that the Committee take into account the audit assurance opinion when considering the Annual Governance Statement for 2021/22.

12 WHISTLEBLOWING (POLICY, GUIDANCE AND CONCERNS RECEIVED)

The Committee gave consideration to a report by the Internal Audit 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 no changes were required to the Policy and Guidance.

In noting that one whistleblowing allegation had been received in the year ending March 2022 and that five allegations had been received from members of the public which had been passed on to relevant service areas to deal with, it was

RESOLVED

that the results of the annual review of the whistleblowing policy be noted and it be acknowledged that the Whistleblowing Policy and Guidance is still fit for purpose requiring no changes.

13 ANNUAL REPORT OF THE COMMITTEE

Consideration was given to a report by the Internal Audit 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 2022.

In introducing the report, the Chair announced that he had been asked to write an introduction to the Annual Report on behalf of the Committee. If approved by Members, the report would then be presented at the Council meeting on 20th July 2022. He then went on to thank the previous Chair, Officers and previous Members of the Committee for their commitment, oversight, review and

challenge over the last year. The report summarised the work of the Committee over the 2021/22 year.

In response to a question which had been raised by Councillor E R Butler, the Democratic Services Officer responded that an approach had already been made to the Local Government Association about the delivery of training for Committee Members. Further comment was made by Councillor P J Hodgson-Jones that the training should not only cover the role and responsibility of the Committee but also the Council's financial accounts. The Internal Audit Manager also commented that in the future, the Committee may wish to embark on a review of its own effectiveness which was recommended by Chartered Institute of Public Finance and Accountancy.

RESOLVED

(a) that the Corporate Governance Committee Annual Report to Council for the year ending 31st March 2022 be approved for submission to the Council; and

(b) that the Chairman of the Committee be authorised to approve any amendments to the Report.

14 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.

The Committee were acquainted with the background and history to the Code of Procurement Waiver Procedure. In doing so, it was noted that the procedure enabled Heads of Service to approve single tender awards below £25,000 but that for transparency purposes, the number of times the procedure had been used since the previous meeting was reported to Members.

15 EXCLUSION OF 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.

16 ANNUAL REVIEW OF BENEFITS RISK BASED VERIFICATION POLICY

The Committee gave consideration to a report by the Revenues 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.

Following an introduction by the Revenues and Benefits Manager, the Committee discussed a number of matters which included how claimants identified as low risk were audited and assessed each year, the length of time it

has taken to transition between Housing Benefit and Universal Credit and the impact this was having upon Officer caseloads and the measures and checks in place to identify errors which included regular data matching exercises with the Department for Work and Pensions and National Fraud Initiative.

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.

Chairman