

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, 25 January 2023

PRESENT: Councillor N Wells – Chairman.

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

APOLOGY: An Apology for absence from the meeting was submitted on behalf of Councillor P J Hodgson-Jones.

34 MINUTES

The Minutes of the meeting of the Committee held on 30th November 2022 were approved as a correct record and signed by the Chair.

35 MEMBERS' INTERESTS

No declarations were received.

36 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.

In introducing the report, the Elections and Democratic Services Manager reminded the Committee of their responsibility for maintaining high standards of conduct by Members of the District and Town and Parish Councils, for monitoring the operation of the Code of Conduct and for considering the outcome of investigations in the event of breaches of the Code. Attention was then drawn to Appendix 1 of the report which outlined the current position with the return of Disclosable Pecuniary Interests (DPI) forms from the Town and Parish Councils and Appendix 2 which summarised the Code of Conduct positions for each of the District's parishes. The Committee were pleased to note that whilst there were 83 vacant seats across the Town and Parish Councils, only 7 DPI forms remained outstanding. Furthermore it was reported that parishes were regularly chased for returns with forms published on the District Council's website.

Having commended the Town and Parish Councils for the low level of DPis that remained outstanding, it was

RESOLVED

that the contents of the report now submitted be noted.

37 IMPLEMENTATION OF INTERNAL AUDIT ACTIONS

(At 7:06pm, during discussion on this item, Councillor J A Gray took his seat at the meeting).

(At 7:09pm, during discussion on this item, Councillor S A Howell took her seat at the meeting).

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

The latest data now revealed 57% of actions being introduced on time (including those with late implementation). 21 actions were yet to be implemented and 26 overdue audit actions remained outstanding. Since the previous meeting, 3 actions had been implemented and closed, 56 had been closed since April 2022 and 48 remained open since January 2023. The Committee's attention was drawn to Appendix 1 which provided an update from services on the status of overdue audit actions.

In response to a question raised by Councillor J A Gray, the Internal Audit Manager confirmed that there were no specific actions that were of particular concern and that she had been thinking of ways to proactively issue meaningful reminders to Officers about their audit actions and highlighted the role of Senior Management in discussing these matters with Service Managers at one to one meetings. A subsequent question was then raised by Councillor J A Gray on whether the Committee wished to be provided with more commentary around Senior Management's actions and involvement in such matters. The Director for Finance and Corporate Resources responded by assuring the Committee that the Risks and Control Group highlighted any risks and concerns to Senior Management as necessary.

Questions were then raised by Councillors A M Blackwell and I P Taylor around the outstanding audit action relating to debtors. The Director for Finance and Corporate Resources reported that more detailed information around the performance of the service was available in the quarterly finance performance reports submitted to the Overview and Scrutiny Panel (Performance & Growth) and the Cabinet and that the level of current resource and performance levels achieved were deemed satisfactory. Councillor A M Blackwell expressed the view that the Council should be working harder to drive down arrears. In response to which assurances were delivered that the Council were successful in working with its debtors and negotiating payment terms on a case by case basis. Furthermore it was reported that the Council was mindful of the cost of living crisis and the current economic climate and that an indicator of those struggling to make payments on their Council Tax would be if individuals started to cancel their monthly Direct Debits.

Following a question raised by the Chair, the Committee expressed their wish to continue receiving Appendix 2 which outlined audit actions which had been closed/implemented since April 2022. Whereupon, it was

RESOLVED

that the content of the report now submitted be noted.

38 APPOINTMENT OF AN INDEPENDENT MEMBER TO THE CORPORATE GOVERNANCE COMMITTEE

Consideration was given to a report by the Internal Audit Manager (a copy of which is appended in the Minute Book) seeking the Committee's view on the appointment of an Independent Member to the Corporate Governance Committee.

By way of background, the Internal Audit Manager reported that Government reports and the Chartered Institute of Public Finance and Accountancy (CIPFA) had now recommended the appointment of at least one Independent Member, suitably qualified, to an Audit Committee. The Government has also indicated its intention to make this mandatory in the future. In preparation for this, some authorities have already appointed an Independent Member in the interests of good governance and transparency and it is proposed that Huntingdonshire should do the same. Having been acquainted with the benefits to the Committee, which included specialist knowledge and insight, independent challenge, transparency and neutrality and assisting with maintaining continuity and corporate memory for the Committee, Members' attention was then drawn to Appendix A which outlined a draft example person specification for the role.

A question was raised by Councillor J A Gray querying who would be sitting on the Appointments Panel to interview candidates for the role(s). It was confirmed that this would comprise the Chair and Vice-Chair of the Committee, Director of Finance and Corporate Resources and the Internal Audit Manager. A subsequent question was then raised by Councillor J A Gray on the proposal to appoint an individual on a three year term commencing 1st May 2023 and how this contradicted the benefit of corporate memory within the Committee given that all District Councillors would be up for election at the same time. In acknowledging this, it was suggested that further thought might need to be given to CIPFA's recommendation for up to 2 individuals to be appointed with the start date of commencement varying for each individual.

In response to a question raised by Councillor P Kadewere querying whether individuals would be remunerated, it was confirmed that this matter would also require some further thought. The Elections and Democratic Services Manager advised that the Independent Remuneration Panel had recently met to undertake a full review of Members' Allowances and that the matter would need to be referred onto them for consideration. The Committee were also informed that the Lead and Deputy Independent Persons appointed by the Council for the purposes of conducting Code of Conduct investigations received some form of remuneration for their work and that perhaps this might provide a starting point for the level of remuneration to be awarded to any Independent Members appointed to the Committee. Given the discussions on remuneration and the number of Independent Members to be appointed, Councillor J E Harvey

proposed an amendment to recommendation (b) of the report now submitted for up to 2 non-voting Independent Members to be appointed by the Council on to the Committee which was supported by Members.

In response to a question raised by Councillor I P Taylor proposing the start date of commencement 6 months after the May elections, the Elections and Democratic Services Manager advised against stipulating a start date now given the level of work yet to be undertaken to refine the proposals which included seeking Council approval in February 2023, engaging with the Independent Remuneration Panel to address questions which had been raised around remuneration and the need to advertise and recruit to the roles.

Owing to the absence of detail within the report, the Committee considered a suggestion to bring the report back to a future meeting. The view was expressed by Councillor J A Gray that the process should not be held up and that the report should continue to be submitted to Council on 22nd February 2023 with a suggestion that detail on the proposals should be worked up by the Chair and Officers and circulated to the Committee outside of the meeting. In that light and following discussion on the matter, the Elections and Democratic Services Manager suggested that an additional recommendation be added to the report proposing delegated authority to be given to the Chair and Vice-Chair, in conjunction with the Corporate Governance Committee, to finalise details including the level of remuneration, term of office and length of appointment of Independent Members to the Committee. Councillor J E Harvey also requested that the start date of commencement also be included in the delegation.

Councillor R J West questioned whether the Government or CIPFA had issued any best practice guidance on the process of setting up Independent Members on Audit Committees, to which the Internal Audit Manager responded that it was up to individual Councils to do. She then went on to advise that Cambridge City Council had appointed an Independent Member to its Committee.

Councillor A M Blackwell queried whether individuals would be able to terminate their service part way through their term. The Elections and Democratic Services Manager responded that the advert would need to specify the term of office required for the role so that candidates were aware of commitments prior to applying. Furthermore, it was noted that the Council ultimately would be responsible for confirming Independent Member appointments to the Committee.

Members were reminded by Councillor R J West of the Overview and Scrutiny Co-opted Members that served a four year term ending in 2014. It was confirmed by the Elections and Democratic Services Manager that this provision no longer existed and had been removed from the Council's Constitution.

Having agreed to amend recommendation (b) and to add a further recommendation giving delegated authority to the Chair and Vice-Chair with a view to finalising details within the proposals, the Committee

RESOLVED

- (a) to note the additional guidance provided on the appointment of Independent Member(s) to Audit Committees;

- (b) to recommend to Council the approval of the appointment of up to 2 non-voting Independent Members to the Corporate Governance Committee as set out in paragraph 5.6 of the report now submitted;
- (c) to recommend to Council the approval of the variation to the membership of the Corporate Governance Committee as set out in Part 3 – Responsibility for Council Functions – of the Council’s Constitution as outlined in paragraph 5.6 of the report now submitted;
- (d) to recommend to Council the making of necessary amendments to the Council’s Constitution; and
- (e) to delegate authority to the Chair and Vice-Chair, in conjunction with the Corporate Governance Committee, to finalise details including the level of remuneration, term of office, length of appointment and start date of commencement for the appointment of Independent Member(s) to the Corporate Governance Committee.

39 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 Democratic Services Officer advised that there had been no uses of the Code of Procurement Waiver Procedure since the previous meeting.

Councillor J A Gray reminded the Committee of the request which had been made at the December 2022 Council meeting to undertake a full review of the Council’s Constitution. The Elections and Democratic Services Manager reported that there were currently no plans for a full review to be undertaken owing to the lack of budgetary provision but that a bid could be made in the future as part of the budget setting process.

Chairman