

## HUNTINGDONSHIRE DISTRICT COUNCIL

<b>Title/Subject Matter:</b>	Annual Report of the Corporate Governance Committee
<b>Meeting/Date:</b>	Corporate Governance Committee – 12th July 2023 Council – 19th July 2023
<b>Executive Portfolio:</b>	Executive Councillor for Corporate & Shared Services, Councillor Martin Hassall
<b>Report by:</b>	Deborah Moss, Internal Audit Manager
<b>Ward(s) affected:</b>	All Wards

---

### **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 2022/23 is attached at Appendix 1. It has been prepared by the Internal Audit Manager. It summarises the work undertaken by the Committee during 2022/23 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 Chair 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 Chair 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 2022/23 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 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 2023

### **CONTACT OFFICER**

Name/Job Title: Deborah Moss, Internal Audit Manager  
Tel No: 01480 388475  
Email: [deborah.moss@huntingdonshire.gov.uk](mailto:deborah.moss@huntingdonshire.gov.uk)



**Corporate Governance Committee**

**Chair's Annual Report to Council  
for the year ending 31st March 2023**

**Corporate Governance Committee  
Functions: Approved by Council 29 March 2017**

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

This report summarises both the Committee's activities during 2022/23 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 is my second year as Chair of the Committee, which has continued its focus on the following key issues:

1. Continue to make progress in resolving issues raised in previous annual governance statements, and to increase the rate of progress during the 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.

Over the year there has been an increasing focus on the Risks that exist for the organisation, and the role that Internal Audit plays in assessing the standard of management of these Risks. At the November 2022 meeting, the Committee was given visibility of the Corporate Risk Register, and the ongoing scrutiny of Risk in the context of Audit will be a key objective of the Committee going forward.

To this end, the Chair and Vice Chair have worked with the Executive Councillor for Corporate & Shared Services to investigate ways of increasing the Council's effectiveness in Risk management, and the role that the Corporate Governance Committee can play in this. We have greatly appreciated the valuable input into this initiative from Deborah Moss, Internal Audit manager.

During the year, a reassessment has taken place of certain key Audit actions, as it became apparent that those actions needed to be reviewed in light of changed circumstances. It was agreed with the pertinent Corporate Director

**Corporate Governance Committee  
Functions: Approved by Council 29 March 2017**

that changes be made to the relevant outstanding Audit actions to reflect the necessary changes.

The Chair and Vice Chair took part in the LGA Audit Peer Challenge and were pleased that the 17 recommendations from the Challenge were accepted for implementation by the leadership of the Council. We look forward to working as a Committee in the coming year to implement those recommendations that relate to the Committee's activities.

In light of the Government's intention to require local government audit committees to include one or more Independent non-voting members, the Committee has commenced an initiative to recruit Independent members to the Committee, with an intention to implement the change to the Committee membership in the coming Corporate year.

I would like to thank those Officers who have supported the Committee's activities over the Corporate year 2022-23; the Members who served on the Committee during the Corporate year, and in particular for Members' contributions to the Committee's oversight of all aspects of Corporate Governance.

Councillor Nic Wells, Chair, Corporate Governance Committee

July 2023

**Corporate Governance Committee  
Functions: Approved by Council 29 March 2017**

**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.

Throughout the year CGC members have had opportunity to attend various training courses and events:

**Corporate Governance Committee  
Functions: Approved by Council 29 March 2017**

Training Event	Date	By	Attendance numbers
Members Induction Event 2022	12/05/22	HDC	10+
Chairing Meetings	05/09/22	LGA (Delivered by HDC)	1
General Data Protection Regulations (GDPR)	14/06/22	K SQUIRES, Data Protection Officer	10+
Effective Working	16/09/22	LGA - Jennifer Baker (First Ascent Group)	1
Role and Functions of Corporate Governance Committee	28/09/22	LGA	8+
Finance Training	07/11/22	EELGA	4+

### Matters considered

The table below groups into six categories the significant issues considered by the Committee during 2022/23. A brief summary of the issues considered within each of the categories is included on the following pages.

		2022					2023
		Apr	May	Jul	Sep	Nov	Jan
<b>1</b>	<b>Constitution</b>						
	Code of Financial Management						
	Code of Procurement						
	Appointment of an Independent Member(s) to the Corporate Governance Committee						■
<b>2</b>	<b>Governance issues</b>						
	Approval for Publication of the 2021/22 Annual Governance Statement	■			■		
	Annual Complaints Report 2021/22				■		
	Code of Conduct Complaints - update	■				■	
	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	■					





**Corporate Governance Committee  
Functions: Approved by Council 29 March 2017**

**Reviewing the Constitution**

<b>Code of Financial Management (Financial Regulations section within the Constitution).</b>	No review has taken place (last review at Committee June 2021) – committee will put on their forward plan for 2023/24.
<b>Code of Procurement</b>	No annual review has taken place – committee will put on their forward plan for 2023/24.
<b>Independent Members</b>	Members were advised that it is likely that having an independent member will become statutory “as soon as legislation will allow” and therefore discussed and took a decision to approve up to two independent members in order that the necessary Constitutional changes could be made and recruitment preparation begin. Committee welcomed independent membership to support good governance and improve challenge.

**Governance of the Council**

<b>Approving the Annual Governance Statement on behalf of the Council</b>	The Committee approved the 2021/22 Annual Governance Statement (AGS). The format of the AGS had previously changed to one aligned with accepted best-practice agreed with external audit.
<b>Significant governance issues</b>	No significant governance issues were identified for inclusion in the AGS. However other governance issues were reported.
<b>Complaints</b>	The Committee received an annual report 2021/22 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.
<b>Annual Review of Benefits Risk-Based Verification Policy</b>	Committee is required to approve the policy annually. Committee asked how low risk claimants are audited and assessed each year, the time taken to transition between HB and UC and the impact on caseloads and the measures and checks in place to identify errors.

**Corporate Governance Committee  
Functions: Approved by Council 29 March 2017**

<b>CIPFA Code of Financial Management</b>	The Responsible Finance Officer (S.151 Officer) reported on an exercise carried out to demonstrate our compliance with the new CIPFA Code of Financial Management. She asked that Internal Audit verify the information in the document to provide independent assurance to Committee (this has been entered into the IA Plan 2023/24).
<b>Corporate Risk Register</b>	Committee requested to see the risk register and discussed its content, raising questions on a number of risks. It requested that a future report should include a matrix of where each of the risks sits.

**External Audit matters**

<b>Approving the 2020/21 Annual Financial Report</b>	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.
--	---

<b>External Audit Plan 2021/22</b>	The Committee has noted the External Audit Plan 2021/22.
------------------------------------	--

**Internal Audit**

<b>Receiving the Annual Audit Opinion</b>	The Committee noted that the 2021/22 annual assurance opinion remained as adequate for the elements 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 Internal Audit resources available throughout the year.
---	--

<b>Approving the internal audit work plan and Internal Audit Charter</b>	<p>The Audit Plan 2022/23 was discussed and approved in March 2022.</p> <p>The Internal Audit Charter was reviewed and approved as still fit for purpose by Committee in March 2023.</p> <p><i>Both the Plan and new Charter were approved outside of the April-March 2023 period (a new Charter being approved in April 2023 and the Internal Audit Plan approved in July 2023) but are included here for visibility.</i></p>
--	--

**Corporate Governance Committee  
Functions: Approved by Council 29 March 2017**

**Monitoring of  
implementation of audit  
actions**

Committee received regular reports on overdue audit actions. It asked that the report's audit opinion be included against each action. It also requested and received a list of closed audit actions to see what had already been agreed and implemented to allow a better understanding of what types of actions are 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 two reports during the year on various standards matters:

- Code of Conduct Complaints – Update
- Update on Code of Conduct and Register of Disclosable Pecuniary Interests

**Countering Fraud**

**Activities of the  
Corporate Fraud Team  
(CFT)**

The CFT has been involved with the checking of information for the Energy Bill Rebate Scheme so all households within the district and this resulted in 9.2 million being paid to residents. The bi-annual National Fraud Initiative (NFI) matches covering a number of services and areas and NFI report focusing on potential SPD Fraud. The CFT has continued to work with local housing providers and assisted in the recovery of Social Housing properties however this work has been hampered by a member of the team being off for a long period following an accident. There was one RIPA application for directed surveillance regarding covert cameras for a fly tipping hot spot in the area.

**Corporate Governance Committee**  
**Functions: Approved by Council 29 March 2017**

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 the updated Local Code of Corporate Governance.
- Approval of two independent members to sit on CGC – this will allow for more independent challenge and is seen as a governance improvement.
- Considered the Council's arrangements for compliance with CIPFA's Code of Financial Management and agreed for Internal Audit to verify the arrangements reported.
- Chair of CGC attends the Chair of Audit Committees Forum (Eastern Region) hosted by the LGA which is an opportunity to share experiences, learn topics, and develop the Chairing and effectiveness of the committee.
- No Committee member is an Executive Member with decision-making responsibilities.

**Standards (Hearings) Sub-committee** – (comprising 3 Members of the CGC) is appointed as and when required to consider the standards of conduct of members. This sub-committee did not meet during the year.

**Corporate Governance Committee  
Functions: Approved by Council 29 March 2017**

**Committee Membership & Attendance**

		2022					2023	Attend- ance Total
		Apr	May	Jul	Sep	Nov	Jan	
Outgoing Committee (appointed by Council on 19 May 2021)								
Chairman	Cllr G J Bull	■						1
Vice-Chairman	Cllr P L R Gaskin	■						1
	Cllr E R Butler	■						1
	Cllr J C Cooper-Marsh	--						0
	Cllr D A Giles	--						0
	Cllr K P Gulson	■						1
	Cllr P Kadewere	■						1
	Cllr H V Masson	--						0
	Cllr L W McGuire	--						0
	Cllr J P Morris	--						0
	Cllr R J West	■						1
	Cllr Mrs S R Wilson	■						1
Incoming Committee (appointed by Council 18th May 2022)								
Chair	Cllr N Wells		■	■	■	■	■	5
Vice-Chair	Cllr J E Harvey		■	■	■	■	■	5
	Cllr A M Blackwell		■	■	■	■	■	5
	Cllr E R Butler		■	■	--	--	--	2
	Cllr J Clarke		■	■	■	■	■	5
	Cllr J A Gray		■	■	--	■	■	4
	Cllr P J Hodgson-Jones		■	■	--	■	--	3
	Cllr S A Howell		■	■	■	--	■	4
	Cllr P Kadewere		■	■	■	--	■	4
	Cllr T D Sanderson		■	■	■	■	■	5
	Cllr I P Taylor		■	■	■	■	■	5
	Cllr R J West		■	■	--	--	■	3

Key:

■	Attended
--	Absent
	Not on committee at date of meeting

**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.