

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, 12 July 2023

PRESENT: Councillor N Wells – Chair.

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

APOLOGY(IES): Apologies for absence from the meeting were submitted on behalf of Councillors E R Butler, J A Gray, P J Hodgson-Jones and A R Jennings.

10 MINUTES

The Minutes of the meeting of the Committee held on 30 May 2023 were approved as a correct record and signed by the Chair.

11 MEMBERS' INTERESTS

No declarations were received.

12 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 since November 2022 regarding alleged breaches of the Code of Conduct under the Localism Act 201. Three complaints had been submitted, all of which were concluded.

Whereupon, the Committee

RESOLVED

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

13 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. Of the 71 Town and Parish Councils' Registers of Disclosable Interests, 46 were published, four had Disclosable Pecuniary Interest Forms awaiting completion.

The Elections and Democratic Services Manager reported that, following publication, vacancy numbers had increased. Upton and Coppingford Parish Council had become inquorate, and a resolution was being sought in collaboration with the associated District Councillor. Woodwalton Parish Council had previously faced a similar issue and appointed interim councillors in order to secure quoracy prior to a Parish Council meeting on 10 July 2023 at which five new councillors had been co-opted.

It was acknowledged that Officers worked proactively to obtain forms and thus the number of forms awaiting conclusion had reduced in comparison to the previous year.

In response to a comment from Councillor Blackwell with regard to the filling of Huntingdonshire Town Council vacancies in May, the Democratic and Elections Services Manager undertook to check the current status of vacancies with that council.

Whereupon, the Committee

RESOLVED

that the contents of the report be noted.

14 DRAFT 2022/23 ANNUAL FINANCIAL REPORT AND APPROVAL FOR PUBLICATION OF THE ANNUAL GOVERNANCE STATEMENT

The Committee received a verbal update on the Annual Financial Report and Governance Statement from the Director of Finance and Corporate Services. The position had not changed from the previous meeting and the Council continued to require sign off from Ernst & Young on the 2021/22 Accounts prior to producing the draft 2022/23 Accounts. The Finance Team had provided expedient responses to audit requests from the firm with regard to the fixed asset calculations accounting treatment. Once this matter had closed, sign off could occur.

In response to a question by Councillor Kadewere, it was confirmed that delays had occurred due to limited resourcing at Ernst & Young and had affected sign off across local authorities. As other councils had been similarly impacted and Huntingdonshire District Council was not at fault, the Director of Finance and Corporate Services believed the Council would not be penalised for missing the statutory 2022/23 draft accounts deadline.

15 ANNUAL REVIEW OF FRAUD INVESTIGATION ACTIVITY

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 2022/23.

The Corporate Fraud Manager informed the Committee that the Team had received 970 Energy Bill Support Scheme and Alternative Fuel Payment applications; and had processed 467 Alternative Fuel payments and 414 Energy Bill Support Scheme Alternative Funding payments. They had also assisted in Energy Rebate Scheme delivery, enacted tenancy fraud work; identified 35 cases of fraud through the National Fraud Initiative, and delivered training to ensure compliance with RIPA legislation.

Councillor I Taylor commended the recovery of social properties and was informed that, with more resourcing, caseload could be increased. This would benefit properties and the local community. The Corporate Fraud Manager demonstrated these benefits through an example in which action to identify fraud had led to engagement with an individual requiring assistance to access mental health support.

The Chair reiterated his congratulations on the work of the Corporate Fraud Team.

Whereupon, the Committee

RESOLVED

that the contents of this report be noted.

16 PEER REVIEW: ACTION PLAN

With the aid of an Action Plan prepared by the Director of Finance and Corporate Services (a copy of which is appended in the Minute Book), the Committee received the Service's response to a report on the LGA Peer Review of Internal Audit, presented to Committee 30th May 2023, which advised on actions that would improve governance and compliance with the CIPFA guidance. The Officer explained that some actions detailed in the resulting Action Plan had long due dates to reflect the extensive work required for completion, whilst others had no due date as they were ongoing controls.

The Chair awaited the self-assessment exercise in November 2023, acknowledging that the future date would allow for development of the exercise.

Whereupon, the Committee

RESOLVED

that the Peer Review Action Plan be noted.

17 ANNUAL REPORT OF 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) to which was appended the Committee's draft Annual Report to Council for the year ending 31st March 2023. The report detailing the Committee's work was scheduled to be reviewed at the next Full Council meeting and included a list of training, which it previously had not, alongside reports received and functions. The addition of training would allow for the development of a skills matrix and knowledge gap reporting. The Internal

Audit Manager highlighted the way in which the report demonstrated the Committee's effectiveness.

Whereupon, the Committee

RESOLVED

(a) that the Corporate Governance Committee Annual Report to Council for the year ending 31st March 2023 be approved for submission to the Council; and

(b) that the Chair of the Committee be authorised to approve any amendments to the draft report.

18 INTERNAL AUDIT SERVICE: ANNUAL REPORT 2022/23

In compliance with the Public Sector Internal Audit Standards, the Committee gave consideration to the Internal Audit Service Annual Report 2022/23 (a copy of which is appended in the Minute Book).

The Internal Audit Manager drew Members' attention to the Audit Opinion for 2022/23, as at 31st March 2023, which gave "reasonable assurance" over key business processes and financial systems and "limited assurance" over risk management received a limited assurance opinion. This was following nine audit reviews and seven reviews of key financial systems. The Quality Improvement Plan remained in progress. The Officer highlighted that the report detailed the main findings, but not specific resulting actions.

Councillor I Taylor expressed concern with regard to the lack of social value in the Procurement Policy. The Procurement Policy had been legislated in 2012, developed for Huntingdonshire District Council in 2019, and was yet to be implemented. The Internal Audit Manager reassured the Committee that it was anticipated that the Social Value Policy would commence this summer following the identification of additional resource. Potential causes of the Procurement Policy implementation delay resulted from: the Coronavirus pandemic, multiple changes in procurement lead, low resourcing and administrative pressures.

Councillor I Taylor also noted the absence of contracts for minor works expenditure and the need to improve General Data Protection Regulations (GDPR) to prevent fines from being incurred. In response, Officers noted steps taken to improve GDPR despite a high Data Protection Officer turnover, including mandatory GDPR officer training, the Improvement Plan and introduction of a GDPR Officer role. It had been determined that the Information Governance Team were suitably placed to perform a GDPR progress check in future.

Councillor Blackwell was reassured that the rating for debtors would be audited again in six months.

Whereupon, the Committee

RESOLVED

(a) that the contents of the report be considered noted; and

(b) the Internal Audit Manager's opinion be taken into account when considering the Annual Governance Statement (AGS) for 2022/23.

19 INTERNAL AUDIT PLAN 2023/24

In compliance with the Public Sector Internal Audit Standards, the Committee received a report on the Internal Audit Plan (a copy of which is appended in the Minute Book) which evaluated the effectiveness of risk management, control and governance processes. Red rated risks included: cyber security, project management processes, partnership working, safeguarding, disabled facility grants, general data protection, compliance with the Code of Procurement and suitability of Business Continuity Plans. The Internal Audit Manager stated that, once service level risks were reviewed, some high-level risk ratings already in the Plan may reduce. Due to limited resource and the Peer Review, it had been agreed with Senior Management that proposed actions would be targeted towards inherent risks, which were largely newly registered corporate risks. It was acknowledged that targets in the Plan were aspirational and delivery would be dependent upon allocation of resource.

Councillor I Taylor was informed that additional resource would allow for a greater number of audit assurance engagements, giving more robust assurance but not automatically improving assurance levels.

Following a query from the Chair, the Committee were notified that a review of GDPR and the Minor Works Project would occur. Meanwhile, an investigation into the Minor Works Project, which was out of tender, had found some contracts within it had been tendered separately and development of the Minor Works Project tender had been delegated to a separate Team. Once the tender was complete, the Council would become compliant.

Whereupon, the Committee

RESOLVED

that the Internal Audit (IA) Plan for 2023/24 be approved.

20 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 and it was proposed the review frequency reduce.

The report detailed three whistleblowing allegations - one raised in 2022/23 which was resolved in-house, and two received by members of the public that should have been entered through the Complaints Procedure. The latter was recognised by the Internal Audit Manager as an ongoing issue.

Whereupon, the Committee

RESOLVED

that the review of the Whistleblowing Policy and Guidance be endorsed as still fit for purpose.

21 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.

As at 15th June 2023, 32 actions were implemented and 26 actions were awaiting implementation. Actions commenced under the Corporate Enforcement Team. Three actions had merged into a single, consolidated action with a new target date and thus the former actions had been closed. The Internal Audit Manager informed the Committee that 65% of actions had been completed on time or late and three ongoing actions had been awaiting implementation in excess of two years, although the overall delay period had reduced.

Whereupon, the Committee

RESOLVED

that the contents of the report be noted.

22 CORPORATE GOVERNANCE COMMITTEE PROGRESS REPORT

The Committee received and noted a report (a copy of which is appended in the Minute Book) on progress against actions in response to any decisions taken at previous meetings. In doing so, the Internal Audit Manager provided an update on the Appointment of Independent Persons, as scheduled in the report. Advertisement would commence following determination of the remuneration level by the Panel. Councillors were reassured that it was good practice, but not a legislative requirement, to have Independent Persons.

The Chair was pleased the Council would base the appointment process, including advert text, upon best practice of other Councils.

23 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.

24 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) which sought annual approval of the Council's use of the Benefits Risk Based Verification Policy in the administration of Housing Benefit and Council Tax Support.

Whereupon, the Committee

RESOLVED

that the contents of this report, 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.

Chair

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