

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in Civic Suite 0.1B, Pathfinder House, St Mary's Street, Huntingdon PE29 3TN on Wednesday, 17 January 2018.

PRESENT: Councillor M Francis – Chairman.
Councillors Mrs S Conboy, T Hayward, P Kadewere, R J West, J M Palmer and D A Giles.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors E R Butler, D B Dew, Mrs L A Duffy, Mrs R E Mathews and D M Tysoe.

38. MINUTES

The Minutes of the meeting of the Committee held on 29th November 2017 were approved as a correct record and signed by the Chairman.

39. MEMBERS' INTERESTS

No declarations of interests were received.

40. COMMUNITY GOVERNANCE REVIEW - GREAT AND LITTLE GIDDING PARISH COUNCIL

The Committee received and noted a report by the Elections and Democratic Services Manager (a copy of which is appended in the Minute Book) on a decision by Great and Little Gidding Parish Council to withdraw its request to hold a Community Governance Review. The decision had been taken following a number of recent changes at the Parish Council.

RESOLVED

that the request to cancel the Community Governance Review for Great and Little Gidding parish Council be noted.

41. LEAD AND DEPUTY INDEPENDENT PERSONS

Consideration was given to a report by the Elections and Democratic Services Manager and Deputy Monitoring Officer (a copy of which is appended in the Minute Book) recommending the re-appointment of the Lead and Deputy Independent Persons for a further two-year period. The Localism Act 2011 required councils to appoint one or more Independent Persons and the current post-holders' terms of office were due to expire on 30th April 2018.

The Committee discussed the Independent Persons' role, qualifications and remuneration. Further information was requested on the activities of the Independent Persons.

Members were informed that the existing post-holders had indicated they were willing to continue in their respective roles. On the basis that they had made valuable contributions by providing impartial advice and had excellent working relationships with Monitoring Officer and Deputy Monitoring Officer, it was

RESOLVED

the Council be recommended to re-appoint Mrs Gillian Holmes and Mr Peter Baker to the posts of Lead and Deputy Independent Persons respectively for a further two-year period to 30th April 2020 without the need for further ratification in each year by the Council at its Annual Meeting.

42. UPDATE ON CODE OF CONDUCT AND REGISTER OF DISCLOSABLE PECUNIARY INTERESTS

By means of a report by the Member Support Assistant (a copy of which is appended in the Minute Book) the Committee was 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. All of the 71 Town and Parish Councils had adopted a Code of Conduct, with 57 based on that adopted by the District Council, twelve had opted for the Code promoted by the National Association of Local Councils and the remaining two Councils had adopted their own version of the Code. A previous action to carry out an audit of the Codes of those Councils that had their own version (Minute No. 16/10 refers) had been completed and they had been found to be compliant with the relevant legislative requirements.

46 Town and Parish Councils had published their full Register, which comprised the Disclosable Pecuniary Interests (DPI) forms of all Councillors. The remaining 25 Councils had vacancies in their Memberships. In terms of individual DPIs, 610 of a total of 650 had been received from Parish Councillors and 40 were vacancies. The forms of all District Councillors had been published.

RESOLVED

that the contents of the report be noted.

43. ANNUAL REPORT ON COMPLIANCE WITH FREEDOM OF INFORMATION AND ENVIRONMENTAL INFORMATION REGULATIONS ACTS

With the assistance of a report by the Information Governance Manager (a copy of which is appended in the Minute Book), the Committee was acquainted with the number of requests received by the Council under the Freedom of Information (FOI) Act and Environmental Information Regulations (EIR), the issues encountered and actions taken to improve performance.

The numbers of requests received by the Council in 2016 (780) represented an increase compared with the previous year (704 requests were received in 2015). The reporting period was longer

than usual and 908 requests had been received in that time. 78% of requests were completed without withholding information in the whole period; however, since July 2017 the Council had continually exceeded its target of 90%. The improvement in performance was explained by the introduction of a new shared management system whereby the Information Governance Officer co-ordinated all formal requests and allocated specialist support when required. In addition, more information was generally made available, which reduced the burden of responding to requests through the FOI arrangements. In future the Information Governance section would be carrying out more work on transparency and working with partners on matching information.

The Committee discussed in detail the process of responding to requests for information. If the information was already available, it was provided but the request was not recorded. The Information Governance Manager took decisions on whether to deal with requests through the FOI process. Information could be withheld for various reasons, including the fact that it was provided in confidence or it contained commercial or personal information. Requestors had a right of appeal against decisions under the FOI scheme. There was a further option to appeal to the Information Commissioner.

While the introduction of the new scheme meant that only formal FOI requests were logged, it meant that the report was more accurate. Members commented that this meant the Council had fewer FOI requests to which to respond, but noted that future reports would provide a true representation of the degree to which the Council complied with FOI and EIR requirements and would enable trends to be monitored.

RESOLVED

that the contents of the report be received and noted.

44. REVIEW OF CODE OF FINANCIAL MANAGEMENT AND CODE OF PROCUREMENT

By way of a report by the Head of Resources (a copy of which is appended in the Minute Book) the Committee was presented with the outcome of reviews of the Codes of Financial Management and of Procurement. The Codes were reviewed regularly to ensure they reflected current legislation and the changing needs of the Council.

In addition to the recent introduction of new policies and changes to existing policies, which were endorsed by the Committee, a primary source of changes to the Codes was the establishment of HDC Ventures. The latter would need to be included within the Council's Statement of Accounts and required the Council to refer to it in its advertisements and notices.

In response to questions by Members, the Committee was informed of the e-tendering process, of the fact that the Council benefitted from nationally negotiated procurement systems and of the existence of requirements to obtain competitive quotations for contracts. It was confirmed that, for larger contracts, the Council carried out due diligence assessments.

Following a further question, Members received an explanation of the circumstances in which additional spending might be incurred for the immediate alleviation of hardship or suffering in the case of peacetime emergency in the District or which was urgent and demonstrably in the Council's best interests. It was then

RESOLVED

that the Council be recommended to approve the Code of Financial Management and the Code of Procurement as appended to the report now submitted.

45. PROGRESS ON ISSUES ARISING FROM THE 2016/17 ANNUAL GOVERNANCE STATEMENT

The Committee gave consideration to a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) on work in the four areas for improvement, which were identified in the 2016/17 Annual Governance Statement (AGS). The Management Team was of the view that satisfactory progress had been made in all the areas. This was endorsed by the Internal Audit and Risk Manager and while they might not all have been resolved by the end of the Municipal Year, it was not likely that they would need to appear in the next AGS.

The Committee was informed of the latest position in respect of the governance and reporting arrangements for Shared Services. Having noted that it had been unrealistic to expect the savings identified in the Business Case for the ICT service to be delivered immediately, particularly given the number of temporary contracts within the service and the lack of experience in implementing new ways of working, Members commented on the need to learn lessons from this process.

With regard to the replacement of the financial management system, it was confirmed that the new system would run in parallel with the old one to ensure there was no risk to the Council. The date on which this would commence had been brought forward to February.

In response to comments by Members on the need to complete the review of the complaints system to enable the Council to use feedback to improve services and increase performance, it was reported that this had been identified in an Audit but that problems also were being experienced through a lack of Officers' understanding and use of the process. The new arrangements should resolve these problems.

The position in respect of the introduction of robust safeguarding procedures was noted.

The Committee expressed the view that owing to the fact that the four improvement areas were of sufficient significance to be included in the AGS, it was important that the planned dates for completion of the necessary actions were achieved. Consequently, it was decided that if the actions had not been completed, the relevant Head of Service should attend the next meeting to discuss progress. This also would

inform their deliberations on the 2017/18 governance review. Whereupon, it was

RESOLVED

that the contents of the report be noted.

46. NON-IMPLEMENTATION OF AUDIT ACTIONS

The Committee gave consideration to a report by the Head of Resources (a copy of which is appended in the Minute Book) containing the first update following the introduction of a new framework for reporting on the non-implementation of audit actions. As at the year ending 30th November 2017, five red and eight amber actions were outstanding out of 108 to be implemented.

Members discussed the length of the extension for the completion of cyber security actions. They were informed that the extension was justified because new IT systems first had to be introduced at the three Shared Services Councils. They also were assured that existing cyber security systems remained in place and no breaches had been experienced in the past. As no further extensions would be granted, the Committee discussed its options for action should the new deadline not be met. These included writing to the relevant Head of Service and Director. Whereupon it was

RESOLVED

that the contents of the report be received and noted.

47. INTERNAL AUDIT SERVICE INTERIM PROGRESS REPORT

By means of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) the Committee received details on the work completed by the Internal Audit Service during the period April to October 2017 together with associated performance issues. The Committee was informed that the Internal Audit and Risk Manager's opinion on the Council's internal control environment and systems of internal control as at 31 March 2017 was that it provided adequate assurance over key business processes and financial systems. From work completed since then, the opinion remained unchanged. However, the Committee was alerted to the fact that in May the opinion might be downgraded to 'limited'.

Members noted that during the reporting period one 'substantial', four 'adequate' and three 'little' assurance opinions were issued. No matters of significant concern arising from these reports needed to be brought to the Committee's attention. One audit had been removed from the agreed Plan and while 24 audits had still to be completed, it was expected that the Plan would be delivered by or shortly after 31st March 2018.

The Committee discussed the decision following a resignation to identify the resulting vacant post as a potential saving in the 2018/19 budget. In response to questions by Members, it was reported that the decision had been taken by the Corporate Management Team and that as the funding was to be deleted, fewer audit days would be

available. In the circumstances alternative ways of carrying out audits would be introduced. They also were informed of historical changes in organizational responsibility for Internal Audit and that the S151 Officer's view was that the required work on financial control systems would be undertaken.

Members expressed concern that the reduction in resources risked failure to uncover governance issues that needed to be addressed and could mean that audit independence would be lost. They decided to express to the Managing Director and Executive Leader their disquiet about such serious risks going forward and suggested that the decision should be reviewed. It was then

RESOLVED

- a) that the Internal Audit and Risk Manager's unchanged opinion of 'adequate assurance' over the internal control environment and system of internal control be noted; and
- b) that the Committee's views on the decision not to replace an Auditor be conveyed to the Managing Director and Executive Leader.

48. 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 decisions taken at previous meetings. It was agreed that further training should be undertaken in the new Municipal Year. Confirmation that the action under the item on the Code of Conduct and Register of Disclosable Interests had been completed had been received earlier in the meeting at Minute No. 17/42 ante.

RESOLVED

that the contents of the report be noted.

Chairman