

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CORPORATE GOVERNANCE COMMITTEE held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 23 January 2019.

- PRESENT: Councillor L W McGuire – Chairman.
- Councillors E R Butler, P Kadewere,  
D A Giles, Dr P L R Gaskin, H V Masson,  
D R Underwood, D J Wells and J E White.
- APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors D J Mead, J P Morris and Mrs S Smith.
- IN ATTENDANCE: Councillor D M Tysoe.

### **34. MINUTES**

The Minutes of the meeting of the Committee held on 10th October 2018 were approved as a correct record and signed by the Chairman.

### **35. MEMBERS' INTERESTS**

No declarations were received.

### **36. CODE OF CONDUCT COMPLAINTS - UPDATE**

By means of a report by the Elections and Democratic Services Manager (a copy of which is appended in the Minute Book), the Committee were provided with a summary and update of completed and ongoing complaints received regarding alleged breaches of the Code of Conduct under the Localism Act 2011 since the start of the year. Whereupon, it was

RESOLVED

that the progress of outstanding complaints and the conclusion of cases resolved since the last meeting be noted.

### **37. UPDATE ON CODE OF CONDUCT AND REGISTER OF DISCLOSABLE PECUNIARY INTERESTS**

With the aid of a report prepared by the Member Support Assistant (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 noting that only one Parish Council was due to return a Disclosable Pecuniary Interest form for one of their Parish Councillors, it was

RESOLVED

that the contents of the report now submitted be noted.

**38. EXTERNAL AUDIT PLAN 2018/19**

*(S Patel of Ernst Young LLP the Council's External Auditors, was in attendance for consideration of this item).*

The Committee received a report by the Head of Resources (a copy of which is appended in the Minute Book) to which was attached the Council's External Audit Plan 2018/19, which had been produced by the Council's External Auditors, Ernst & Young LLP.

In introducing the report, S Patel drew Members' attention to the overview of the 2018/19 audit strategy and highlighted the new risk which had been added in relation to the financial management system. It was explained that this was regarded as a significant risk as it had been introduced part way through the financial year. This had resulted in the financial statements being prepared on two financial management systems which would require robust testing. In addition, there may be risks associated with data migration and loading. The Head of Resources assured the Committee that reconciliatory work had been undertaken by his team and that the External Auditors would also complete data verification checks as part of their work.

The Committee noted the three focal areas of the audit strategy, namely the valuation of an investment property, the restructuring of the Finance Team and new accounting standards relating to International Financial Reporting Standards 9, 15 and 16. In response to a question raised by a Member concerning the impact of the restructure upon the level of risk to the Council, the Head of Resources confirmed that there were no vacancies at present but that interim staff had been appointed to posts within his Team. Regarding the investment property, it was confirmed that a re-valuation had been undertaken. Owing to the need for extensive repair and renovation, the property had been devalued. Furthermore, it was confirmed that valuations on investment properties were undertaken on an annual basis.

In receiving response to questions around performance materiality, how the auditors measured informed decision making, the measures taken to prevent incorrect capitalisation of revenue expenditure, the effective use of the computer based analytics tool and the Council's pension liability, the Committee

**RESOLVED**

- (a) that the content of the External Audit Plan 2018/19 as attached as an Appendix to the report now submitted be noted; and
- (b) that the timetable for reports and updates to the Committee as set out in paragraph 4.6 of the report now submitted be noted.

**39. PROGRESS ON ISSUES ARISING FROM THE 2017/18 ANNUAL GOVERNANCE STATEMENT**

The Committee were acquainted with progress made to date in introducing the five key improvement areas contained within the 2017/18 Annual Governance Statement (a copy of which is appended in the Minute Book).

It was reported that a significant amount of work had been spent on housing affordability and addressing the causes of homelessness. In noting the financial pressures placed upon local authorities and other publicly funded organisations, it was

RESOLVED

that the Committee note and take into account the progress that has been made in introducing the key improvement areas arising from the 2017/18 Annual Governance Statement when undertaking their 2018/19 governance review.

**40. INTERNAL AUDIT PLAN QUARTER 4 - 2018/19**

With the aid of a report by the Internal Audit and Risk Manager (a copy of which is appended in the Minute Book) the Committee considered the content of the Internal Audit Plan for quarter four (Q4) 2018/19.

Having had their attention drawn to the BACS payment fraud which occurred in June 2018, the Committee were pleased to note that the payment of £81K had been recovered in full and that the Police had been notified of the matter. New procedures were now in place for verifying bank account change requests.

In response to a question raised by a Member, it was confirmed that a summary of follow up work arising from internal audits would be included within the Internal Audit and Risk Manager's annual report.

Discussion then ensued on IT disaster recovery. Assurances were received by the Executive Councillor for Digital and Customer that the Council's business continuity processes were effectively tested during the power outage which had occurred the previous year. Although the incident had resulted in a loss of two days' work, all three affected local authorities had commended the District Council on its prompt operational response. Work has since been undertaken to establish a failover server which was yet to undergo testing.

Having concurred with a suggestion to receive the internal audit plan on a six monthly basis, the Committee

RESOLVED

- (a) that the Internal Audit Plan for quarter 4 2018/19 be approved; and
- (b) that the Internal Audit Plan for 2019/20 be prepared on a six monthly basis.

**41. ANNUAL REPORT ON HDC COMPLIANCE WITH THE FREEDOM OF INFORMATION (FOI) & ENVIRONMENTAL INFORMATION REGULATIONS (EIR) ACTS (FOR THE PERIOD 1 NOVEMBER 2017 - 31 DECEMBER 2018)**

With the aid of a report prepared by the Information Governance Manager and Data Protection Officer (a copy of which is appended in the Minute Book) the Committee received the annual report on the Council's compliance with the Freedom of Information Act (FOI) 2000 and Environmental Information Regulations 2004. Information was also received on the Council's performance in respect of protecting personal data over the period December 2017 to December 2018.

Members' attention was drawn to the requests for information received, the percentage of requests handled within statutory timeframes and the areas within the organisation receiving the highest level of demand, namely Customer Services and Community. It was noted that an FOI disclosure log would be published on the Council's website by the end of January 2019.

The Committee were then apprised with details of incidents and near misses regarding personal data together with the number of rights requests and complaints received. The Information and Governance Team have spent a considerable amount of time implementing General Data Protection Regulation (GDPR) which included the delivery of awareness training seminars for both staff and Members.

Questions were raised around the level of response received from the Information Commissioner's Office, the definition of vexatious incidents, whether consideration had been given to imposing financial sanctions and the latest position with regard to completion rates for the Cyber Security and Data Protection e-learning module. In noting that a simplified version of the resource pack would be produced and that a future training session would be recorded and made accessible to those unable to attend a face to face seminar, it was

RESOLVED

that the contents of the report now submitted be noted.

**42. 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.

Chairman