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**Our reference:**  
**Your reference:**  
**Date:** 29 May 2013

To all Members of the Corporate Governance Group

Dear Councillor

A meeting of the CORPORATE GOVERNANCE GROUP will be held on Thursday 6 June 2013 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely



Executive Manager Operations and Corporate Governance

### **AGENDA**

1. Apologies for absence
2. Declarations of Interest
3. Notes of the Meeting held on Wednesday 24 April 2013 (pages 1 - 7).
4. Health and Safety Annual Report 2012/13  
  
The report of the Executive Manager - Operations and Corporate Governance is attached (pages 8 - 21).
5. Internal Audit Progress Report 2013/14  
  
The report of the Executive Manager – Finance and Commercial will follow.
6. Internal Audit Annual Report 2012/13  
  
The report of the Executive Manager – Finance and Commercial will follow.
7. Annual Governance Statement 2012/13  
  
The report of the Executive Manager – Finance and Commercial is attached (pages 22 - 32).

8. Annual Report 2012/13

The report of the Executive Manager - Finance and Commercial is attached (pages 33 - 39).

9. Fraud and Irregularities 2012/13

The report of the Executive Manager – Finance and Commercial is attached (pages 40 - 41).

10. Finance Update

The Executive Manager - Finance and Commercial will provide a verbal update.

11. Work Programme

The report of the Executive Manager - Operations and Corporate Governance is attached (pages 42 - 43).

Membership

Chairman: Councillor G S Moore

Vice-Chairman: Councillor E A Plant

Councillors N A Brown, J E Cottee, A M Dickinson, R Hetherington, K A Khan, J E Thurman and H Tipton

<b>Meeting Room Guidance</b>
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**Fire Alarm Evacuation:** in the event of an alarm sounding please evacuate the building using the nearest fire exit, normally through the Council Chamber. You should assemble in the Nottingham Forest car park adjacent to the main gates.

**Toilets** are located opposite Committee Room 2.

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**NOTES  
OF THE MEETING OF THE  
CORPORATE GOVERNANCE GROUP  
WEDNESDAY 24 APRIL 2013**

Held at 7.00 pm in Committee Room 1, Civic Centre, Pavilion Road, West Bridgford

**PRESENT:**

Councillors G S Moore (Chairman), S J Boote (Substitute for K A Khan)  
B Buschman (Substitute for N A Brown), L B Cooper (J E Cottee),  
J E Greenwood (Substitute for R Hetherington), E A Plant, S J Robinson  
(Substitute for B A Nicholls), D V Smith and H Tipton

**ALSO IN ATTENDANCE:**

Councillor J A Cranswick  
John Cornett            Director, KPMG  
Trudy Enticott        Manager, KPMG  
M Riley                 RSM Tenon

**OFFICERS PRESENT:**

A Goodman        Member Support Officer  
P Linfield         Service Manager - Finance and Commercial  
P Steed             Executive Manager - Finance and Commercial  
E Shaw             Emergency Planning Officer  
D Swaine          Executive Manager – Operations and Corporate Governance

**APOLOGIES FOR ABSENCE:**

Councillors N A Brown, J E Cottee, R Hetherington, K A Khan and  
B A Nicholls

**37. Declarations of Interest**

There were none declared.

**38. Notes of the Previous Meeting**

The notes of the meeting held on Wednesday 30 January 2013 were accepted  
as a true record.

**39. Risk Management Update**

Members were informed that following the recent senior management review,  
responsibility for risk management, emergency planning and business  
continuity had passed to the Executive Manager - Operations and Corporate  
Governance. Officers were currently in the process of revising the areas to  
realign them with the new structure and this would tie into the review of  
performance management arrangements and the production of service plans

for the 2013/14 period. As part of this work, greater focus was being given to the relationship between risk, performance and tasks to enable all aspects to be linked within the operational management of each service.

The Executive Manager – Operations and Corporate Governance explained that the current Corporate Risk Register contained 21 risks, with an additional 52 operational risks, that were monitored at service level. He added that the current review aimed to remove risks that were low scoring, those that had the lowest likelihood or impact and risks that had effective mitigation to ensure the risk factors were under control. Any additional risks identified by this process would be added to the register, however it was anticipated that there would be few new risks and that overall there will be a net reduction.

Executive Manager – Operations and Corporate Governance explained that the Emergency Plan had been reviewed to reflect the Council's new organisational structure and would continue to be updated on a biannual basis. The service level agreement with Newark & Sherwood District Council to provide senior representation at Local Resilience Forum (LRF) meetings had been renewed for 2013/14. Also, the emergency planning service level agreement with Nottinghamshire County Council for the 2013/14 was due to be confirmed in May 2013. The multi-agency rest centre table top exercise that was due to take place last November, that had to be postponed due to the widespread flooding at the time, was being rescheduled for later this year.

The Council's response to the recent flooding had generally been very effective and updates had been provided to Members. Nevertheless, the Risk Management Group were working to identify if any improvements could be made following these incidents.

Members noted that the Corporate Business Continuity Plan had also been updated to reflect the Council's new organisational structure, to ensure that critical services would continue to be delivered during an incident. The emergency planning officer would be working with lead specialists over the coming months to review and update the Business Impact Analyses.

It was AGREED that the report be noted.

#### 40. **External Audit Plan 2012/13**

Mr Cornett presented the External Audit Plan 2012/13 that summarised the work that the Council's external auditors KPMG proposed to undertake in respect of the audit Council's financial statements for 2012/13. He informed Members that KPMG would take a risk based approach to the audit and that the audit planning process and risk assessment would be kept under review.

Mr Cornett had identified two key risks in relation to the audit of the 2012/13 financial statements, issues with reconciliations and staffing capacity. He explained that the Value for Money (VFM) audit approach meant that KPMG would only carry out as much work as was appropriate to issue a safe VFM conclusion. The fee for the audit remained the same as set out in the Audit fee letter 2012/13 at £54,150, which was a 40% reduction compared to 2011/12.

In response to questions regarding the use of off-shore audit resources, Members were assured that all data files were maintained on servers within the UK and that they could only be viewed on screen in India. The servers were governed by established KPMG IT controls and there were restrictions in place to protect the data.

It was AGREED that the External Audit Plan 2012/13 be accepted.

**41. Certification of Grants and Returns – Annual Report 2011/12**

Mr Cornett presented the report from the Council's external auditor KPMG that summarised the work undertaken in relation to the certification of the Council's grant claims and returns for the financial year 2011/12. The audit certification was undertaken after the completion of the Statement of Accounts and was only required for the Housing and Council Tax Benefit Scheme and the National Non-Domestic Rates Return.

He informed Members that from September 2012 work previously undertaken by the Audit Commission's Audit Practice had been outsourced and subsequently KPMG were appointed as the Council's external auditor. The detailed certification work was completed by the Audit Commission's Audit Practice, in accordance with certification instructions issued by the Audit Commission, before 31 October 2012 and the findings and recommendations incorporated into the final report.

For the period 2011/12, one claim for Housing and Council Tax Benefits Scheme with a total value of £22,313,388 and one return for National Non-Domestic Rates, with a total value of £20,664,428, had been certified. Unqualified certificates for the National Non Domestic Rates return had been issued, however amendments and subsequent qualification had been necessary for the Housing and Council Tax Benefit Scheme. This was due to three errors that required additional testing and although not significant, a qualification was mandatory as a result of identifying errors of this nature. As a result, adjustments had been necessary to one of the Council's grants and returns.

Mr Cornett reported that the Council had good arrangements for preparing its grants and returns and supporting the auditor's certification work. All the grants had been submitted on a timely basis and correctly identified as requiring certification. The overall fee charged for the certification of grants and returns was 30% lower than the original estimate at £19,564.

In response to questions, Mr Cornett explained that it was normal to have issues arising from this type of audit, due the large volume of claims involved.

It was AGREED that the Certification of Grants and Returns – Annual Report 2011/12 be accepted

**42. Internal Audit Progress 2012/13**

Mr Riley, a representative from RSM Tenon, the Council's internal auditors, informed Members that in line with the audit plan, six reports had been issued since the last meeting of the Group, for the areas of Housing Benefits, Green

Waste, Creditors, Main Accounting System, Virtual Server and Mobile Device Security. He informed Members that the assurance level for all the audits was green, the highest achievable, except for the Main Accounting System that was amber/red. There were currently nine audits in progress or at the draft stage and these would be presented to the next meeting of the Group.

Mr Riley confirmed that, as agreed by Members at the last meeting, the audits for Temporary Accommodation and Community Facilities had been carried forward to 2013/14, due to the service reviews that were currently being undertaken.

In response to questions, the Executive Manager - Finance and Commercial confirmed that in relation to the recommendation relating to journal postings, that had been raised and not agreed to at a previous audit, officers were working with the auditors to find a solution and it would not be carried forward to the next audit.

#### 43. **Internal Audit Strategy 2013/14**

Members considered the report that detailed the audit plan for the 2013/14 financial year prepared by the Council's internal auditors, RSM Tenon. Mr Riley reminded Members that the plan was part of the Internal Audit Strategy that covered the three year period from 2013/14 to 2015/16 and was based on discussions that had taken place with Senior Officers and the Chairman of the Corporate Governance Group. Members of the Internal Audit team and Senior Officers examined the underlying risks facing the council on an annual basis and update the strategy and the resultant audit plan. The key areas of focus that had influenced the plan were Governance, Transformation, Commercial Property Portfolio and the Temporary Accommodation and Community Facilities reviews.

The Group considered the report in relation to the following four questions:

- Did the Updated Strategy for Internal Audit cover the organisation's key risks as they are recognised by the Corporate Governance Group?
- Did the audit strategy include all those areas that the Corporate Governance Group would expect to be subject to internal audit coverage, both in terms of our professional responsibilities as well as covering areas of concern flagged by management?
- Was the level of audit resource accepted by the Corporate Governance Group and agreed as appropriate, given the level of assurance required?
- Did the detailed internal audit plan for the coming financial year reflect the areas that the Audit Committee believes should be covered as a priority?

It was AGREED that updated Internal Audit Strategy and detailed Audit Plan 2013/14 be approved.

#### 44. Finance Update

The Executive Manager - Finance and Commercial gave an update to Members on the progress made in Finance, since the last meeting of the Group in January. He informed Members that good progress had been made in respect of the outstanding reconciliations and work was ahead schedule. Peter Linfield had joined the Council as the new Service Manager - Finance and Commercial, which completed the staffing restructure.

#### 45. Work Programme

The Group considered the report of the Executive Manager – Operations and Corporate Governance that set out details of the proposed work programme for the municipal year 2013/14.

The Group AGREED the Work Programme as set out below:

Date of Meeting	Item
24 April 2013	<ul style="list-style-type: none"><li>• Internal Audit Progress 2012/13</li><li>• Internal Audit Strategy 2013/14</li><li>• Certification of Grants and Returns</li><li>• External Audit Plan 2012/13</li><li>• Risk Management Update</li><li>• Finance Update</li><li>• Work Programme</li></ul>
8 May 2013	Meeting cancelled
6 June 2013	<ul style="list-style-type: none"><li>• Internal Audit Progress Report 2013/14</li><li>• Internal Audit Annual Report 2012/13</li><li>• Revenue &amp; Capital Budget Monitoring</li><li>• Fraud &amp; Irregularities 2012/13</li><li>• Annual Governance Statement 2012/13</li><li>• Corporate Governance Annual Report 2012/13</li><li>• Health and Safety Annual Report</li><li>• Work Programme</li></ul>
19 September 2013	<ul style="list-style-type: none"><li>• Internal Audit Progress Report 2013/14</li><li>• Statement of Accounts 2012/13</li><li>• External Auditors Annual Governance Report 2012/13</li><li>• Revenue &amp; Capital Budget Monitoring</li><li>• Treasury Management Update</li><li>• Work Programme</li></ul>

Date of Meeting	Item
7 November 2013	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2013/14</li> <li>• Annual Audit Letter</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Health and Safety Interim report</li> <li>• Risk Management Update</li> <li>• Work Programme</li> </ul>
6 February 2014	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2013/14</li> <li>• Treasury Management Update and Presentation</li> <li>• Risk Management Update</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>

The meeting closed at 8.05 pm.



**Action Sheet**  
**CORPORATE GOVERNANCE GROUP**  
**WEDNESDAY 24 APRIL 2013**

Minute Number	Actions	Officer Responsible
38 Notes of the Previous Meeting	None	
39 Risk Management Update	None	
40 External Audit Plan 2012/13	None	
41 Certification of Grants and Returns – Annual Report 2011/12	None	
42 Internal Audit Progress 2012/13	None	
43 Internal Audit Strategy 2013/14	None	
44 Finance Update	None	
45 Work Programme	None	

## Report of the Executive Manager - Operations and Corporate Governance

### Summary

1. Attached to this report is the Council's fifth Health and Safety Annual Report which provides a summary of the Council's occupational health and safety performance during the year 1 April 2012 to 31 March 2013.
2. The Annual Report is structured in such a way as to reflect Health and Safety Executive guidance. It summarises the Council's health and safety policies, procedures and activities which have taken place over the last year. It also sets out training programmes delivered, provides numerical and statistical data and the proposed health and safety objectives for the year.

### Recommendation

It is RECOMMENDED that the Corporate Governance Group:

- a. considers the detailed information contained within the Annual Health and Safety Report,
- b. notes the significant progress made against the health and safety goals and objectives previously agreed by the Group for the financial year 2012/13; and
- c. endorses the proposed health and safety objectives for 2013/14 as set out in the report.

### Financial Comments

There are direct financial implications arising from this report.

### Section 17 Crime and Disorder Act

There are no Section 17 implications

### Diversity

There are no direct equality and diversity implications arising from this report.

**Background Papers Available for Inspection: Nil**

# HEALTH AND SAFETY ANNUAL REPORT

April 2012 to end March 2013

## **1. INTRODUCTION**

- 1.1 This annual report sets out the Council's occupational health and safety performance during the year 1 April 2012 to 31 March 2013. It is split into a number of sections highlighting the key issues that Elected Members need to be aware of. It sets out new policies which have been implemented as part of the control measures within the corporate health and safety framework.
- 1.2 Furthermore the update provides an indication of the effectiveness and success of the health and safety control measures the Council has in place with evidence showing training delivered, progress towards meeting health and safety aims and objectives and the number of accidents recorded.

## **2. KEY ACTIVITIES**

### **2.1 Policy Review**

The Council has a programme of policy review and implementation to support effective health and safety management. One of the health and safety objectives endorsed by Corporate Governance Group at the last annual report was to complete the policy review for Hand Arm Vibration and Management of Legionellosis which were in the process of consultation at the end of March 2012. Both of these policies have now undergone a rigorous review and have been re-written. The Hand Arm Vibration Policy was implemented in September 2012 and the Legionella Policy implemented in August 2012.

- 2.2 A further objective was to review the next three top priority policies as determined by the health and safety policy review programme. Further detail on progress can be found in section 3.1.

### **2.3 Training**

Health and safety training needs are identified in a number of ways including Personal Development Reviews (PDRs), regular one to ones, team meetings and through the Executive Management Team. The Health and Safety Advisor also ensures that training is consistent with our duties and legal responsibilities.

- 2.4 All health and safety training needs identified in PDR's for this year have either been delivered or are programmed in for delivery in the first quarter of the new financial year.
- 2.5 A rolling training programme is produced for the year, which provides refresher training on a regular basis and also courses for new employees. The following health and safety training was organised through the Human Resources service in the last 12 months. In line with the request from Members at a previous CGG meeting, where necessary the number of staff attending training events has been presented as a percentage of staff who should attend them.

## 2.6 Table of Staff Training

<b>Course Subject</b>	<b>Number of Staff attended</b>	<b>% of those requiring training who have been trained</b>	<b>Outcome/impact</b>
Manual Handling Train the Trainer	2	100 %	Supervisors at the Depot trained to enable them to deliver future training to manual staff. This is sufficient numbers trained.
Health and safety Induction	28	100 %	Mandatory training attended by new employees. All new starters within this period attended the training or are programmed in for the next session.
First aid at Work annual refresher training	2		Provided to staff who have not received training within the last year. This is not mandatory training.
Safety Awareness in Flood water	24	98 %	Attended by managers and staff who may get involved in dealing with flood waters to ensure their safety. Those that were unable to attend the training will receive this training at a future time.
Legionella Awareness	9	69 %	Training for appropriate staff who get involved in managing legionella at Council premises. We have people trained at each site, however to ensure resilience further training will be organised.
Fire safety Training e-learning	76 (222 total)	82 %	Refresher training for staff on fire safety issues. There are 272 employees who have access to the e-learning, however some are new employees and others have received training previously. The aim to reach 80% has been achieved. Executive Managers and Service Managers are given an up to date list quarterly.
Display Screen Equipment e-learning	104 (202 total)	74 %	On-line training and assessment of computer workstations. There are 272 employees who have access to the e-learning, however some are new employees and others have received training previously. The aim is to achieve 80%. Executive Managers and Service Managers are given an up to date list quarterly.
Manual Handling e-learning	131 (198 total)	73 %	Refresher training on manual handling in low risk office environments. Some staff do not require this training as they have received more comprehensive manual handling training previously. The aim to reach 70% has been achieved. Executive Managers and Service Managers are given an up to date list quarterly.

Inspection of play equipment training	7		Short practical session on inspecting play equipment to look for obvious defects. Attended by staff at the Country Park and the Hostels. This equipment is also formally inspected by a competent engineer – this additional training is a useful tool for daily checks.
Chief Evacuation Marshall	6	100%	Training for staff on reception at the Civic Centre who may take the role of Chief Evacuation Marshal in an emergency
Evacuation Marshall	1		Training of an additional employee to improve on resilience in the event of an evacuation
Asbestos Awareness	3		None mandatory training to refresh knowledge of health and safety implications of asbestos
Personal Safety	18		1 day training to provide staff with the knowledge and practical skills to recognise and deal with confrontation. Useful for employees who are customer facing.
Defibrillator training	12		Practical session to give skills in CPR and use of the defibrillator at the Civic Centre
Emergency First Aid	8		Basic first aid skills provided to manual staff at the Depot

2.7 The above training is also supported by significant on the job training within all Service Areas but in particular at the higher risk Depot site. Training at the Depot is delivered in a number of ways including tool box talks which are brief practical sessions for employees on site. Other types of training also include for example robust induction training specific to the job role, tasks and equipment used, driver training, reversing assistant training and hand arm vibration training. The ultimate aim of the training is to ensure that the job is carried out in the correct and safe manner and to help reduce the risk of accidents.

2.8 The Depot started a new initiative in January 2012 developing a health and safety calendar with different safety topic for each month. Topics covered have been very varied ranging from, slips, trips and falls, hand hygiene, wearing of personal protective equipment, safe reversing, mobile phone use. Since April, there have been 10 sessions delivered and well received by staff with a total of 217 people seen, an average of 22 a session. The staff were very engaged at these sessions and used them as an opportunity to discuss the topic in-depth as well as a variety of other issues.

### 2.9 Meetings of Health and Safety Groups

The Council has in place four health and safety groups to ensure that health and safety is discussed through all levels of the Authority. The Corporate Health and Safety Group meets quarterly and is attended by the Executive Management Team. This Group approves policies and reports and supports the Health and Safety Advisor in determining the Council's priorities in health and safety.

- 2.10 The Employee Health and Safety Group has been established since September 2009 and meets six monthly. This Group is chaired by the Executive Manager Operations and Corporate Governance, and is attended by the Health and Safety Advisor and six work place representatives including Employee Liaison Group and Trade Union representatives.
- 2.11 The One Great Depot Health and Safety Group deals more directly with issues relating to the Depot and meets quarterly.
- 2.12 The final Health and Safety Group is the Legionella and Asbestos Management Group which meets at least twice yearly and monitors the effectiveness in both these high risk areas.
- 2.13 In the last twelve months these meetings have enabled consideration to be given to a number of issues including training, working in inclement weather, occupational health, accident statistics, legislation and policy update and service area feedback. The Depot meetings have also discussed more practical issues including results of recent noise monitoring and the availability of hearing protection, safe working speeds and reversing manoeuvres.
- 2.14 **Occupational Health**  
The Council are supported by an external Occupational Health provider who are utilised to provide a host of occupational health packages. Within the last twelve months the services that they have provided specifically relating to health and safety issues have included:

	Attendance numbers Apr 12 to end March 13	Comment
Pre-employment medicals	32	All potential new employees are assessed through a pre-employment questionnaire at the time of job offer and prior to commencing their role with the Council
Hand arm vibration examination	1	All employees who use vibrating equipment are assessed annually via questionnaire and if required a medical examination is completed
Hearing Tests	9	All employees who use noise emitting equipment undergo an audiometry assessment on a regular basis
Hepatitis injections	25	Employees who are at risk of either needlestick injuries or coming into contact with contaminated waste are given the opportunity to go on the immunisation program
HGV Medical	4	Medical assessments as required for HGV drivers

2.15 In line with our commitment to employee wellbeing Flu injections were offered again this year to all staff. The nurse attended the Civic Centre, Rushcliffe Community Contact Centre and the Depot on 8 November 2012 with a total of 84 flu vaccinations.

### **3. PROGRESS TOWARDS ACHIEVING HEALTH AND SAFETY GOALS**

3.1 At its meeting on 29 May 2012 the Corporate Governance Group supported the following health and safety goals. These were previously approved by the Council's Corporate Health and Safety Group and are monitored and reviewed quarterly by them. Progress is set out below.

- ***To complete the policy review consultation for Hand Arm Vibration and Management of Legionellosis and ensure successful implementation***

Both policy reviews have been completed and were implemented in August and September this year.

- ***To review the next three top priority policies as determined by the health and safety policy review programme. These are:***

- ***Fire and Emergency Evacuation Policy***
- ***Manual Handling Policy***
- ***Risk Assessment Policy***

The Manual Handling policy has been reviewed, updated and consulted on and went live in October 2012. The Fire and Emergency Evacuation policy has been reviewed and updated and was successfully implemented in December 2012.

The Risk Assessment policy is in first draft stage and is ready to undergo its first stage of consultation.

- ***Implement the Accident Reporting package of the MyHR System to enable electronic reporting of employee accidents.***

Initial work on the accident reporting system was carried out at the beginning of the year. Further development work on this has been rescheduled to enable delivery of the other priorities with the MyHR system particularly the Recruitment module.

### **4. PERFORMANCE**

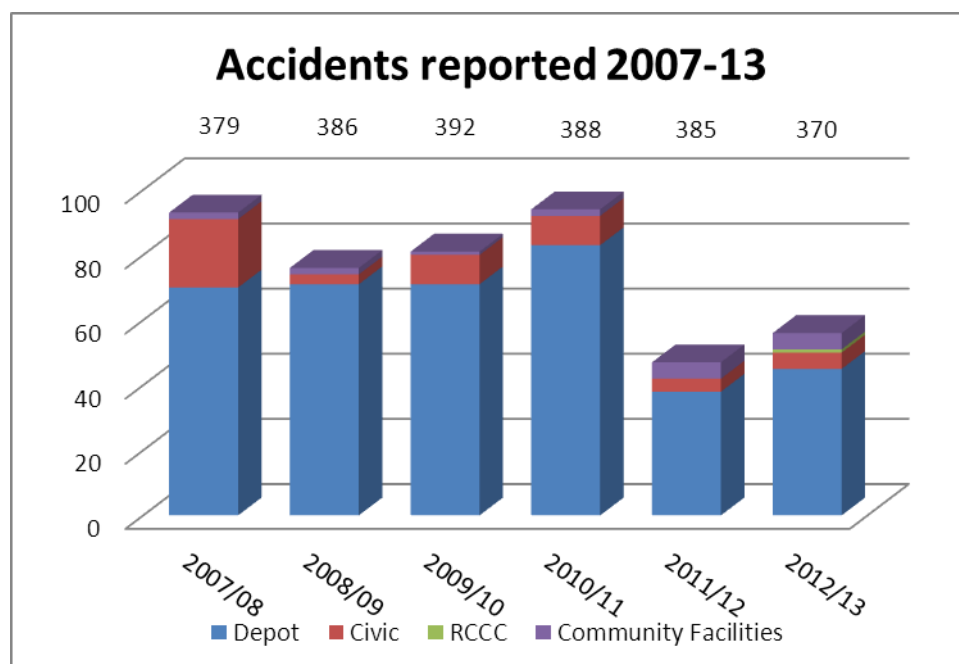
#### **4.1 *Accident report forms completed***

Corporately the number of accident report forms completed by employees and agency staff within the twelve month period is set out in the following table:



## Accident report forms completed

	2007/ 08	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/13
Establishment figure head count	379	386	392	388	370	358
Depot	70	71	71	83	38	45
Civic	21	3	9	9	4	5
Community Contact Centre				0	0	1
Community Facilities	2	2	1	2	5	5
<b>Total</b>	<b>93</b>	<b>76</b>	<b>81</b>	<b>94</b>	<b>47</b>	<b>56</b>



- 4.2 The table and graph above shows that the number of accidents to employees is slightly elevated from the previous year but is significantly lower than all past years. Last year's total annual figure was extremely low.
- 4.3 As requested by Members at the last annual report meeting, details of establishment figures have now been added to the table so that this can also be taken into consideration when comparing accident rates.

#### 4.4 Accident reports by type

The table below sets out the accident figures by type.

##### Accident Report Forms by type

	2007/ 08	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/13
Struck by Moving Object	24	17	21	21	16	14
Strike against fixed object	11	17	10	8	7	6
Slip / Trip / Fall	24	19	29	26	12	26
Manual Handling	20	18	11	21	8	6
Animal attack (e.g. dog)	9	5	6	9	1	3
Other (Shock/Contact with liquids)	5	0	4	9	3	1
<b>Total</b>	<b>93</b>	<b>76</b>	<b>81</b>	<b>94</b>	<b>47</b>	<b>56</b>

#### 4.5 Key points to consider from the figures presented in this table are:

- Slip, trip and fall incidents have more than doubled compared to last year. However as discussed in 4.2, last year's figures were uncharacteristically low. 2011/12 was a milder winter with far fewer slipping accidents contributed by ice and snow.

#### 4.6 The number of employee days lost due to accidents

	2007/ 08	2008/ 09	2009/ 10	2010/ 11	2011/ 12	2012/13
Number of days lost	115	216	57	155.5	36	166

#### 4.7 The figure for days absent from work as a result of an accident whilst at work has increased significantly when compared to the same time period for 2011. Last year's figures were exceptionally low.

#### 4.8 The following table shows the incident and injury type for those accidents which resulted in time lost

Incident Type	Location	Number of days
Slip, trip, fall	R2Go	19
Struck by moving object	R2Go	9
Road traffic accident	Garage	2
Struck by moving object	R2Go	93
Struck by moving object	Streetwise	4
Animal attack (dog)	Country Park	1

Slip trip fall	R2Go	12
Slip trip fall	R2Go	11
Manual handling	Streetwise	5
Slip trip fall	Streetwise	5
Slip trip fall ice	R2Go	1
Slip trip fall ice	R2Go	1
Slip trip fall	Streetwise	2
Slip trip fall	R2Go	1
<b>Total</b>		<b>166 days</b>

4.9 14 of the 56 accident reports completed for this period resulted in time lost due to the accident.

4.10 19 days absence for one employee was as a result of a slip on a path and down the kerb resulting in a swollen ankle. The road traffic accident occurred to one of our garage fitters whose vehicle was hit by another vehicle from behind whilst waiting at a junction. The long term sickness, totaling 93 days was to an R2Go employee who had an injury to a finger resulting in his inability to carry out his duties as refuse collector for this period of time. There has been a full investigation into this accident looking into policies, procedures, training and employee behaviour. This accident was reported to the Health and Safety Executive under the requirements of the RIDDOR legislation and the HSE have carried out no further action.

4.11 The days lost as a result of the top four accidents comes to a total of 135 days. This equates to 81% of the total figure of 166 days.

4.12 *The number of RIDDOR injuries, illnesses and dangerous occurrences involving Council employees*

In the 12 month period five accidents were reported to the Health and Safety Executive as required by the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) legislation. This compares to three in 2011/12. All these accidents were reported due to the fact that the employee had over seven days off work as a result of the accident.

4.13 *The number of health and safety enforcement notices*

There has been one visit by the Health and Safety Executive (HSE) during this 12 month period. This was a scheduled inspection of our R2Go service in February 2013. HSE have focused their inspection program on high risk areas, one of which is the waste industry due to the high fatality rates. The HSE inspector spent the day with both management and visiting the crews out on district. The outcome of the inspection was very positive. There were no suggestions for improvements and the Inspector gave his support to the work we are currently doing on round risk assessments.

The Fire Service carried out an inspection of Hound Road Hostel in October 2012. No significant items were identified and the Fire Officer made a number of minor recommendations all of which have been actioned.

## **5. LEISURE CENTRE FACILITY FIGURES**

- 5.1 As requested by Members previously, figures below show the accident information for the leisure centres. Members should be aware that these facilities are privately managed and as such, responsibility for health and safety management lies with the companies delivering the facilities. The Council monitors these figures as part of the work to oversee delivery of the leisure contracts.
- 5.2 As requested at the last CGG meeting the figures have been broken down into more detail with information for each Leisure Centre and this can be found in appendix 1. The figures obtained from the contractor for the 12 month period April 2012 to end March 2013 are as follows:
- 428 accidents to members of the public in this 12 month period
  - This compares favourably to 491 for 2011/12
- 5.3 These figures need to be considered in the context of total centre usage of 1,363,468 people for the 12 month period. This equates to 0.31 per 1000 visitors. Additionally it should be recognised that the incident statistics include injuries sustained during sporting activities such as swimming, football and racquet sports which are outside the control of the leisure provider.
- 5.4 The health and safety policies and practices of the leisure providers are closely monitored and scrutinised as a part of the regular meetings at both operational and strategic level. Each Leisure provider also reports annually to Performance Management Board which details their performance in relation to ten strategic objectives.

## **6. THE COUNCIL'S WIDER ROLE IN HEALTH AND SAFETY**

- 6.1 The Council has health and safety duties to persons not in its employment, for example members of public visiting our sites. The risk assessment process and management of the Council's services ensures that risks to the public and contractors are assessed at the same time as the risk to our employees.
- 6.2 Actions we've taken as a Council to reduce risks to members of public when visiting our premises and also to those involved in activities with Council staff include:
- Fire risk assessments completed and in place for all Council occupied buildings
  - Legionella risk assessments completed and in place within all appropriate sites
  - The gritting of car parks during periods of inclement weather to ensure safe access to the public
  - The training of Streetwise staff to note and report environmental issues such as potholes and other such hazards
  - Scheduled inspections of play equipment at parks

6.3 The proactive actions outlined above help to reduce and manage risk at Council sites and venue. Furthermore they assist in maintaining low accident statistics for the public and contractors in comparison with the volume and numbers of people involved. The table below set out these figures and provides details for previous years for comparison.

	2008/09	2009/10	2010/11	2011/12	2012/13
Member of Public	4	5	9	14	10
Contractor	1	0	0	0	0

6.4 Nine out of the ten accidents occurred to members of public visiting Rushcliffe Country Park, four of which involved the BMX cycle track. Two of the accidents at the Country Park involved a new piece of play equipment where children were sliding down a rope which resulted in blisters on the hand. As a consequence of the accident investigation the design of the equipment has been modified to eliminate the ability to slide down the rope.

6.5 None of these accidents were reportable under RIDDOR as they did not fit the legal criteria for reporting.

## 7. CONCLUSION

7.1 The information reported in relation to the management of health and safety indicates that figures for number of accidents, although elevated from last year, are much improved on previous years.

7.2 The number of days absent from work due to accidents has increased but importantly this has not been as a result of more accidents to staff but due to the type of accident and its impact. Employees are encouraged to return to work and this can be helped by the use of the fit note process by the GP which allows employees to return to work earlier on phased return and/or with adaptations to duties. However in these instances this was not feasible at this stage due to the nature of the job and the injury.

7.3 Health and safety objectives set at the beginning of the financial year have not all been met. This was mainly due to a shift in focus of the priorities for MyHR self service which has resulted in further consideration of how to move forward with the accident reporting package. Importantly, accidents are still being reported effectively using the current paper based scheme.

7.4 In order to ensure continuing development in health and safety policies and practice the following objectives have been determined for the forthcoming year. These objectives have been identified by giving due regard to the issues highlighted in the report.

- To complete the policy review consultation for the Risk Assessment Policy and ensure successful implementation
- To review the next two top priority policies as determined by the health and safety policy review programme. These are:
  - Display Screen Equipment Policy

- Control of Substances Hazardous to Health (COSHH) Policy
- Carry out a training needs analysis on health and safety training provided to ensure all employees training needs are being met

APPENDIX 1

Table of accident statistics for Leisure Centres

	Apr 12	May 12	Jun 12	July 12	Aug 12	Sept 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	RIDDOR	Total Accidents	Total Staff	Total attendance figures
East Leake	4	7	0	4	2	4	1	1	2	0	1	1	0	27	0	210,998
Rushcliffe Leisure Centre	10	15	5	21	16	17	7	12	9	9	14	16	1	151	4	391,958
Bingham Leisure Centre	5	3	9	6	9	3	2	5	0	4	16	7	2	69	3	234,402
Cotgrave Leisure Centre	4	14	4	10	12	11	14	9	5	7	11	14	3	115	6	217,345
Rushcliffe Arena	5	3	6	2	1	3	2	5	1	2	2	5	2	37	4	174,397
Keyworth Leisure Centre	4	3	0	3	1	2	4	4	2	1	3	2	0	29	0	134,368
<b>Total</b>	<b>32</b>	<b>45</b>	<b>24</b>	<b>46</b>	<b>41</b>	<b>40</b>	<b>30</b>	<b>36</b>	<b>19</b>	<b>23</b>	<b>47</b>	<b>45</b>	<b>8</b>	<b>428</b>	<b>17</b>	<b>1,363,468</b>

## Report of the Executive Manager – Finance and Commercial

### Summary

1. In line with the guidance in respect of governance the Council has produced an Annual Governance Statement. The framework is unchanged from last year and a summary of the principals are given in **Appendix 1**.
2. It is good practice for the Statement to be considered separate from the published accounts, which will come to the September meeting of this committee. The Annual Governance statement will be drawn up based on the details given in **Appendix 2**, which is in line with guidance.

### Recommendation

It is RECOMMENDED that the details given in **Appendix 2** be supported as the basis for the Annual Governance Statement to be included in the annual Statement of Accounts and the Corporate Governance Group comment as appropriate.

### Financial Comments

Internal Controls assist in preventing financial loss and safeguarding the Council's assets.

### Section 17 Crime and Disorder Act

The requirement for all reports to be considered for Section 17 implications is an important part of the system of internal control.

### Diversity

Various aspects of the Annual Governance Statement are directly relevant to diversity and social inclusion. Examples include arrangements to consult with and encourage the participation of all sections of the community, communications with stakeholders and the requirement for services to be provided in accordance with equality policies.

**Background Papers Available for Inspection: Nil**



## PRINCIPALS OF GOOD GOVERNANCE

### Background

The CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy and Society of Local Authority Chief Executives) guidance draws upon 6 core principles for good governance with a number of supporting principles. These are:

- **Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area**
  - exercising strategic leadership by developing and clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users
  - ensuring that users receive a high quality of service whether directly, or in partnership, or by commissioning
  - ensuring that the authority makes best use of resources and that tax payers and service users receive excellent value for money.
  
- **Members and officers working together to achieve a common purpose with clearly defined functions and roles**
  - ensuring effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function
  - ensuring that a constructive working relationship exists between authority members and officers and that the responsibilities of authority members and officers are carried out to a high standard
  - ensuring relationships between the authority and the public are clear so that each knows what to expect of the other.
  
- **Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**
  - ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance
  - ensuring that organisational values are put into practice and are effective.
  
- **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**
  - being rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny
  - having good-quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs
  - ensuring that an effective risk management system is in place
  - using their legal powers to the full benefit of the citizens and communities in their area.
  
- **Developing the capacity and capability of members and officers to be effective**
  - making sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles

- developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group
  - encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal.
- **Engaging with local people and other stakeholders to ensure robust public accountability**
    - exercising leadership through a robust scrutiny function which effectively engages local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships
    - taking an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly by the authority, in partnership or by commissioning
    - making best use of human resources by taking an active and planned approach to meet responsibility to staff.

## ANNUAL GOVERNANCE STATEMENT

### 1. SCOPE AND PURPOSE

#### 1.1 Scope of responsibility

Rushcliffe Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Rushcliffe Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Rushcliffe Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions which includes arrangements for the management of risk.

Rushcliffe Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how Rushcliffe Borough Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 and 2011, in relation to the publication of a statement on internal control.

#### 1.2 The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Rushcliffe Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Rushcliffe Borough Council for the year ended 31 March 2013 and up to the date of approval of the statement of accounts.

## **2 THE GOVERNANCE FRAMEWORK**

### **2.1 Vision and priorities**

During 2012/13 the Council developed its approach to the financial pressures facing all public bodies through the development of a four year programme centred around three key elements income generation, income maximisation and service redesign. As part of the service redesign process the council will be reviewing the services it provides to identify improved or alternate methods of delivery which will enable it to meet its financial targets without eroding the high quality of service for which Rushcliffe is known. Long term strategic planning has enabled Rushcliffe to address its immediate financial pressures, develop an initial financial strategy to 2017/18 and introduce its fifth Corporate Strategy covering the period 2012 to 2016. The three key themes for this strategy are:

- Supporting economic growth to ensure a sustainable, prosperous and thriving local economy.
- Maintaining and enhancing our residents' quality of life.
- Transforming the Council to enable the delivery of efficient high quality services.

The integration of service and financial planning has continued through the 2012/13, the budgets for both 2012/13 and 2013/14, and the financial strategy to 2017/18.

Progresses against previous priorities and actions, as laid down in previous service plans, have been reported to Performance Management Board during the course of the year. All key tasks within the current service delivery plans have been linked directly to the Council's objectives.

### **2.2 Improvement and Efficiency**

As with other public bodies the Council faces unprecedented financial pressures. During 2011/12 the Council set itself the target of delivering £1.88m of cashable savings by the end of 2012/13 and, following the delivery of a significant programme of work, the actual figure achieved in year was £2.73m. Notwithstanding this achievement the Council will still, however, need to continue to identify savings from forthcoming service reviews in order to meet financial pressures in the medium term.

A comprehensive document setting out the Council's Constitution exists which sets out the clearly defined structure for the Council's organisational arrangements based upon a cabinet executive model. In essence the different roles can be summarised as follows:

- Council decides upon certain policies and other specialist functions that cannot be delegated elsewhere including the setting of the council tax
- Cabinet is allocated authority by council to approve policies not reserved for consideration by Council, deliver policies and to take most significant executive decisions
- Cabinet works to a Forward Plan of forthcoming decisions for up to three months ahead
- The work of Cabinet is supported by four scrutiny groups

- Scrutiny groups develop their own work programme for the review of council policies in addition to scrutinising the work of the cabinet
- Separate committees exist for Development Control, Employment Appeals, Alcohol and Entertainments Licensing, Interviewing and Licensing.
- Delegation arrangements to officers are set out in detail within the Constitution
- A protocol defining the relationship between Members and Officers was adopted during 2008

The Constitution also provides detailed guidance on standing orders, financial regulations and the conduct of meetings. In addition it also contains codes of conduct applying to members and officers as well as a protocol for councillor/officer relationships. The codes include reference to the need to declare any interests which may conflict with the individual's role at the Council and such registers for councillors and officer are maintained by the Executive Manager Corporate Governance and Operations and the Strategic Human Resources Manager respectively. The Council has in place a confidential reporting code (whistleblowing policy) and any referrals under the policy are investigated.

The Constitution as a whole is reviewed when necessary and appropriate. The last such review was undertaken in 2011/12.

### **2.3 Policies, Procedures, Laws and Regulations**

The Council has three statutory officer roles: the Chief Executive, the Section 151 Officer and the Monitoring Officer. They are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources.

The Council's financial management arrangements should conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). During 2012/13, the Council's financial management arrangements complied in all respects with the governance requirements of the aforementioned statement, in particular:

- During 2012/13 two officers held the post of Chief Financial Officer, the Deputy Chief Executive (to the 31 December 2012) and from 1 January 2013 onwards the Executive Manager (Finance and Commercial). Both of these individuals were professionally qualified accountants with direct access to the Chief Executive, Leader of the Council and other Cabinet Members. The postholders also had direct access to the Corporate Governance Group and the Council's external auditors.
- The Chief Financial Officer has a line of professional accountability for all finance staff and for ensuring that the finance function is 'fit for purpose'. The Council has established robust arrangements to manage its finances, including a Medium Term Financial Strategy, annual budget process and compliance with CIPFA's Codes and Guidance on the Prudential Framework for Capital Finance, Treasury Management and the management of reserves.

- Internal audit services are provided to the Council by RSM Tenon. The effectiveness of this service is monitored by the Corporate Governance Group.

Executive Managers are responsible for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice. Oversight of these arrangements is provided by the Executive Manager (Corporate Governance and Operations).

## **2.4 Risk Management**

The Council's risk management arrangements are regularly reviewed with a complete review being undertaken during 2012/13. Following the adoption of the new senior management arrangements a further review of these arrangements is planned for 2013/14. The effectiveness of the overall risk management arrangements is monitored by the Corporate Governance Group.

## **2.5 Development and training needs**

The Council achieved Councillor Member Development Charter status in March 2011 and has a cross party Member Development Group to oversee development and delivery of Councillor learning and training. This Group meets on a quarterly basis.

Each Councillor is offered the opportunity to undertake an annual Personal Development Plan the results of which are used to inform the on-going Member Development Programme. Development needs are also identified directly by feedback from Councillors and in response to issues which may occur throughout the year.

To support new and returning Councillors a comprehensive induction programme is in place which runs after the local elections. The delivery of this is overseen by the cross party Member Development Group who evaluates its effectiveness upon its completion based on Councillor feedback.

The identification and delivery of appropriate training for officers is dealt with via the Learning and Development Plan which links to the annual performance development review (PDR) process.

## **2.6 Communication**

A number of editions of Rushcliffe Reports – the Council's newsletter for residents – are printed and circulated to all households each year and these set out details of a number of key service changes, both in the past and in the future, and ask for customer feedback.

The largest consultation exercise undertaken by the Council in 2012/13 was a residents' survey to ensure the Council continues to meet the expectations of residents and provide cost effective services that support the delivery of the Corporate Strategy. In addition, on-going customer satisfaction surveys were undertaken by several key customer facing services such as planning, revenues and benefits and customer services. The customer feedback received from these exercises is used to improve services to all customers.

## **2.7 Partnerships**

The Council has in place a scrutiny group that reviews significant partnerships with which the Council is involved. The Council has put in place strong governance arrangements around the major leisure services and car parking contracts. In addition the Cabinet Portfolio Holder also chairs quarterly strategic board meetings with the two main leisure providers, Parkwood and Carillion.

## **3 REVIEW OF EFFECTIVENESS**

### **3.1 Introduction**

Rushcliffe Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates and this review is considered by the Corporate Governance Group.

### **3.2 The Council**

The Council approves and keeps under regular review all the strategic policies which it reserves for its own consideration, including:

- The Constitution
- The Corporate Strategy
- The Capital Programme and Revenue Budget
- The Housing Strategy
- The Local Development Framework

### **3.3 The Cabinet**

The Cabinet carries out the executive functions of the Council as required by the legislation and the Council's Constitution. It accordingly:

- Takes key decisions
- Takes other executive decisions
- Approves policies other than those reserved for Council
- Recommends to Council policies and budgetary decisions

### **3.4 Corporate Governance Group**

The Corporate Governance Group is the group within the Council that is charged with Governance and has a number of responsibilities including:

- Overseeing financial governance arrangements
- Overseeing strategic risk management
- Scrutinising the Annual Governance Statement
- Scrutinising the Statement of Accounts prior to its agreement by full council

- Reviewing the plans and work of Internal Audit
- Receiving reports from external audit in relation to the audit arrangements

### **3.5 Performance Management Board**

The Performance Management Board reviews the performance of the Council against the approved targets. Other reports are taken to this group and during the last year the group has considered the equality and diversity plan and the local Home Improvement Agency performance.

In addition to the Performance Management Board the Council has two other scrutiny groups which were formed during 2007. The first, Place Shaping and Community Engagement looks at areas that affect the community like future changes to glass recycling and provision of car parking. The other group is Partnership Delivery which is tasked with looking at the effectiveness of current and future potential partnerships.

### **3.6 Executive Managers**

Executive Managers are responsible for ensuring proper standards of internal control within their departments. On-going reviews are undertaken throughout the year. At the end of the financial year Executive Managers are required to confirm that they have reviewed the system of internal control and identify any areas where improvements are necessary. It should be noted that the new Executive Manager roles were introduced during 2012/13 and that prior to this the management of internal controls rested with the Deputy Chief Executives, Director of Finance and Heads of Service.

### **3.7 Internal Audit**

Internal Audit is responsible for the review of the systems of internal control and for giving an opinion on both the corporate and service specific standards in place. The Council tendered during 2009/10 for a new 5 year audit contract which was awarded to RSM Tenon. An Audit Strategy has been developed covering all activities of the Council at a level and frequency determined using a risk management methodology. The current Strategy now covers the period up to March 2016.

An annual audit plan governs each year's activity and at the completion of each audit, a report is produced for management with recommendations for improvement. Regular reports covering internal audit activities are submitted to the Corporate Governance Group for scrutiny.

A detailed annual review of the effectiveness of the Council's system of internal audit is undertaken every year and reported to the Corporate Governance Group.

### **3.8 External Audit**

The external auditors review the Council's arrangements for:

- Preparing accounts in compliance with statutory and other relevant requirements



- Ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice
- Managing performance to secure economy, efficiency and effectiveness in the use of resources

The auditors give an opinion on the Council's accounts, corporate governance and performance management arrangements. The Council takes appropriate action where improvements need to be made.

As reported last year, after the result of national changes, the provision of external audit has now transferred from the Audit Commission (in October 2012) to KPMG.

## **4 SIGNIFICANT GOVERNANCE ISSUES**

### **4.1 Issues Identified and remedial action**

The Council continues to utilise partnership arrangements with other public bodies and private organisations to deliver services. The Council therefore remains committed to meeting the challenge of ensuring that the appropriate governance arrangements are in place for each of the major partnerships that the Council has entered or will enter.

In producing the 2011/12 statement of accounts the council faced a number of issues most notably with regard to the reconciliation of income following the implementation of a new financial ledger in April 2011. These were identified in the external auditor's Annual Governance Report, which was considered by the Corporate Governance Group on the 26 September 2012. To mitigate these risks the Council has reviewed its processes and appointed new staff to the finance team, including an Executive Manager and a Service Manager. The resultant positive progress was reported by the external auditor to the Corporate Governance Group on the 24 April 2013. This work will continue to be a priority during 2013/14.

During 2013/14 the Council will also need to manage a number of changes arising from legislative changes such as the Localism and Local Government Finance Acts, and in particular challenges arising from welfare reform and the introduction of Universal Credit. Furthermore the Council has to address the issue of housing growth and the concerns of the planning inspector, with the Core Strategy being revisited in the coming year. The Cotgrave Masterplan is a significant project which demonstrates the Council's commitment to developing the community and provides affordable housing. These challenges will be managed in line with the Governance Framework outlined earlier in this report.

## **5 STATEMENT OF THE CHIEF EXECUTIVE AND THE LEADER**

We have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Corporate Governance Group. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed, with new actions planned, are outlined above.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed.....

Councillor J N Clarke  
(Leader)

Signed.....

A Graham  
(Chief Executive)

Date .....

Date .....

## Report of the Executive Manager - Finance and Commercial

### Summary

1. The annual report provides a review of the work undertaken by the Group during the scrutiny year 2012/13. Each of the four scrutiny groups prepares an annual report and these are incorporated into a summary annual scrutiny report to be presented to full Council.
2. Listed below are the many issues scrutinised by the group during the year:
  - Health and safety annual report 2011/12
  - Protecting the council from fraud
  - Internal audit strategy 2012/13
  - Internal audit progress report 2011/12
  - Internal audit annual report 2011/12
  - Financial services and treasury management
  - Successful prevention of fraud and irregularities 2011/12
  - Annual governance statement 11/12
  - External auditors annual governance report 2011/12
  - Statement of accounts 2011/12
  - Revenue and capital budget monitoring
  - Risk management
  - External audit plan 2012/13
  - Certification of grants and returns annual report 2011/12
  - Internal audit strategy 2013/14
3. More details of the Group's consideration of these topics are provided within the appended report. The Group is asked to review the report and consider if it fully reflects the work undertaken.

### Recommendation

It is RECOMMENDED that the Scrutiny Group approves the report and forwards it to Council for consideration.

### Financial Comments

There are no direct financial implications arising from the matters in this report

### Section 17 Crime and Disorder Act

There are no direct Section 17 implications arising from the matters in this report

**Diversity**

There are no direct diversity implications arising from the matters in this report

**Background Papers Available for Inspection: Nil**

# **Corporate Governance Scrutiny Group**

**Annual Report 2012/13**

## **Chairman's Foreword**

I am pleased to write this short foreword to reflect on the busy and productive year of the Corporate Governance Group in 2012/13. I am confident that I speak on behalf of all group members when I say the year has been enjoyable and interesting, despite the many challenges during these difficult times.

The scrutiny process is vital to challenge and influence how the Council makes decisions to maintain service quality. The report demonstrates the variety of areas which Corporate Governance Group has scrutinised over the past year and the actions taken to ensure the soundness of the Council's decisions.

On a personal note, I would like to thank all members of the Group, particularly my Vice Chairman, for their support and thank the staff for their role in the scrutiny process.

Councillor G S Moore

Chairman, Corporate Governance Group

## What are we responsible for?

The main roles for Rushcliffe's four Scrutiny Groups are to:

- Develop a work programme which scrutinises important issues for the community
- Ensure that the group's work of the Group helps with implementing Council plans and policies;
- Review and question the agreed policy and services and make recommendations to the Cabinet and Council to improve performance and services
- Ensure the work contributes to the delivery of best value, continuous improvement and best practice.

## The Corporate Governance Group's Remit

The Corporate Governance Group is a scrutiny committee constituted under section 21 of the Local Government Act 2000. The Group's responsibilities include:

- **Statement of Accounts**  
To examine the outturn and statement of accounts and make comments and recommendations to Council.
- **Annual Governance Statement**  
To consider the annual report on applying the Council's system of internal control and make recommendations to Cabinet on improvements/changes in practice and the acceptance of a draft Statement. This statement ultimately comprises a key element of the Council's Statement of Accounts.
- **Treasury Management**  
To consider the annual and interim reports on Treasury Management activity and ensure that practice has complied with the approved Treasury Management Strategy, making recommendations to Cabinet as appropriate.
- **Protecting against fraud**  
To consider the annual report on fraud and irregularities in order to make an informed judgement on the corporate governance and internal control statements, making recommendations to Cabinet on improvements.  
  
To consider any matters arising as a result of irregularity referred to it by Cabinet.
- **Capital and Revenue Budget Monitoring**  
To consider regular reports on progress against the revenue and capital budget, making recommendations to Cabinet on matters requiring its approval and where progress is considered to be unsatisfactory.

- **Internal Audit**  
To consider periodic reports on the more significant findings of internal audit in order to make an informed judgement on corporate governance and internal control statements, making recommendations to Cabinet on improvements.
- **Risk Management**  
To consider periodic reports on controls over key risk areas as identified in the risk register in support of making an informed judgement on the corporate governance and internal control statements, making recommendations to Cabinet on improvements.

## **Our work this year**

### **Statement of Accounts**

The external auditors presented their annual governance report for 2011/12 to the September 2012 meeting. The report covered the auditing of the Council's accounts and work relating to the economy, efficiency and effectiveness of the use of resources. The statement of accounts 2011/12 was considered alongside this report and the Group recommended its acceptance by full Council. The council again successfully obtained an unqualified opinion on the accounts.

Both the Executive Manager and the council's external auditors have highlighted a range of issues around the final accounts process, and reportage throughout the year has highlighted the successful way in which these are being addressed. This oversight, and the attendant improvements, has continued into the 2013/14 financial year.

### **Annual Governance Statement**

The draft annual governance statement was agreed by the Group in June 2012.

### **Treasury Management**

The treasury management aspect of the Group's work addresses the investment practice and policies applied by the Council. To assist the Group's understanding of this area the Council's treasury management advisors, Arlingclose Limited, presented an oversight of the current economic overview to the January 2013 meeting.

The Group recognised the increasing challenges that the Executive Manager and his team face in obtaining investment income whilst ensuring the continued safety of the Council's funds.

### **Protecting against fraud**

The Audit Commission presented a report detailing advice and recommendations on tackling and preventing fraud and error at the May 2012 meeting. Members scrutinised the checklist provided for those responsible for governance to help them judge whether the Council's arrangements were adequate. Members were satisfied after discussions that the Council was taking a reasonable and prudent approach to preventing error based on Audit Commission guidance.

In the June 2012 meeting the Group discussed the annual report on fraud and irregularities for 2011/12. There had been two investigations carried out by Internal Audit which had previously been reported to the Group, but corrective action was now in place. Members were told about the 123 cases of investigating council tax



and housing benefit fraud where 35 cases were irregular and 25 sanctions were applied – an increase from 20 the previous year.

### **Capital and Revenue Budget Monitoring**

The Group received regular updates on the Council's capital and revenue budgets for 2012/13 and the financial outturn for 2011/12. These demonstrated that the council's managers had been successful in containing expenditure within the funding envelopes allocated for the years in question allowing unutilised resources to be carried forward for future years.

### **Internal Audit**

The Council's internal auditors, RSM Tenon, attended and provided updates at every meeting of the Group. In addition to regular progress monitoring meetings in May 2012 the Group also received and agreed two annual reports:

- The three year internal audit strategy for 2012/13 to 202014/15.
- The 2011/12 internal audit annual report.

### **Risk Management**

A report to the September 2012 meeting highlighted that the corporate risk register had been reviewed and updated. Members discussed topical risks at the time including the Council's response to recent flooding incidents.

At the May 2012 meeting, members reviewed the fourth annual report on health and safety which highlighted a positive and improving picture with a significant decrease in the number of accident forms completed which had decreased from 94 to 47 over the last two years. The number of days lost due to employee accidents had reduced from 155 to 36 over the last year. Accidents at leisure centres remained at a similar level to the previous 12 months. Members received an update on mandatory training undertaken by staff such as the e-learning on display screen equipment and manual handling training.

### **Looking forward to the year ahead**

The Group is keen to build on the good work undertaken this year and will continue to deliver a work programme focusing on relevant issues so that it influences how services are delivered and how decisions are made. In particular, the Group will look to develop a programme of activities that fits within its area of expertise and helps to add further value to scrutiny's role as a 'critical friend'.

## **Report of the Executive Manager - Finance and Commercial**

### **Summary**

This report outlines the successful detections of Fraud by the Council in 2012/13. The report also sets out how the cases of fraud have been dealt with.

### **Recommendation**

It is RECOMMENDED that the update be noted.

### **Internal Audit Investigations**

1. There has been no special fraud investigation during 2012/13 by Internal Audit to bring to Members' attention.

### **Housing and Council Tax Benefit Fraud**

2. The Benefit Fraud and Investigation section investigated 72 cases (123 in 2011/12) of which 16 were found to be irregular (35 in 2011/12) and identified overpayments of £39,944 (£130,238 in 2011/12).

3. The reasons for these 16 irregularities were:

Failure to disclose commencement of employment	5 cases
Failure to disclose capital	4 cases
Failure to declare increase in income	3 cases
Undisclosed partner	2 cases
Failure to disclose vacated property	1 case
Not resident	1 case

4. The number of cases where sanctions have been applied has decreased from 29 in 2011/12 to 18 in 2012/13:

- 8 claimants were offered and accepted a formal caution
- 2 claimants were offered and accepted an administrative penalty
- 8 claimants were successfully prosecuted

The outcomes of the eight prosecutions are as follows:

<b>Name</b>	<b>Overpaid HB/CTB</b>	<b>Sentence</b>
A	£9,460.66	80 hours community order
B	£1,928.81	12 month conditional discharge
C	£1,368.63	£70 fine
D	£4,751.51	40 hours community order

Name	Overpaid HB/CTB	Sentence
E	£1,299.08	8 month prison suspended for 24m
F	£9,676.18	14 month prison
G	£16,563.34	10 weeks prison suspended for 12m
H	£13,691.46	4 weeks prison suspended for 12m

5. The prosecution policy allows that, in some cases, no action will be taken where the amount involved is low, there was insufficient evidence, or prosecution would not be in the public interest. There is still sanction action pending against a number of the cases under investigation.
6. Attempts to recover these overpayments are always made. For 2012/13, of the £39,944 identified there is £29,552 outstanding. The amount outstanding in relation to 2011/12 fraudulent overpayments is £41,484 and recovery action is ongoing.
7. In addition to any recoveries, the Borough Council also receives subsidy for such overpayments. Subsidy due in respect of these overpayments amounts to 40% of the overpayment. Subsidy is no longer received separately in respect of prosecutions and caution/administrative penalty cases. This is now incorporated into the main Benefit Administration subsidy grant.

### **Council Tax Fraud**

8. An exercise was undertaken during 2012/13 to review Council Tax Single Person Discounts. A total of 4,588 review forms were issued and this resulted in the removal of 135 discounts with an estimated value of £48,060.
9. The Council also participates in the Audit Commissions biennial data-matching exercise involving Council Tax and Electoral Register data. The data-matches were released to the Council on 20 February 2012 and these were reviewed throughout 2012/13. A total of 863 matches were reviewed and this resulted in the removal of 89 single person discounts with an estimated value of £45,997.

### **Financial Comments**

The financial impact of the Borough's spending plans is described in the report

### **Section 17 Crime and Disorder Act**

These activities help to detect and prevent fraud

### **Diversity**

There are no comments

**Background papers available for inspection: Nil**

## **Report of the Executive Manager - Operations and Corporate Governance**

This report sets out a proposed work programme for the next year. In determining the proposed work programme due regard has been given to matters usually reported to the Group and the timing of issues to ensure best fit within the Council's decision making process.

### **Recommendation**

It is RECOMMENDED that the Group agrees the work programme as set out in the table below.

<b>Date of Meeting</b>	<b>Item</b>
6 June 2013	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2013/14</li> <li>• Internal Audit Annual Report 2012/13</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Fraud &amp; Irregularities 2012/13</li> <li>• Annual Governance Statement 2012/13</li> <li>• Corporate Governance Annual Report 2012/13</li> <li>• Health and Safety Annual Report</li> <li>• Work Programme</li> </ul>
19 September 2013	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2013/14</li> <li>• Statement of Accounts 2012/13</li> <li>• External Auditors Annual Governance Report 2012/13</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Treasury Management Update</li> <li>• Work Programme</li> </ul>
7 November 2013	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2013/14</li> <li>• Annual Audit Letter</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Health and Safety Interim report</li> <li>• Risk Management Update</li> <li>• Work Programme</li> </ul>

Date of Meeting	Item
6 February 2014	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report 2013/14</li> <li>• Treasury Management Update and Presentation</li> <li>• Risk Management Update</li> <li>• Revenue &amp; Capital Budget Monitoring</li> <li>• Work Programme</li> </ul>

The above table does not take into account any items that need to be considered by the Group as special items. These may occur, for example, through changes required to the Constitution or financial regulations, which have an impact on the internal controls of the Council.

#### **Financial Comments**

No direct financial implications arise from the proposed work programme.

#### **Section 17 Crime and Disorder Act**

In the delivery of its work programme the Group supports delivery of the Council's Section 17 responsibilities particularly in relation to audit, fraud and irregularities.

#### **Diversity**

The policy development role of the Group ensures that its proposed work programme supports delivery of the Council's Corporate Priorities.

**Background Papers Available for Inspection: Nil**