



**NOTES
OF THE MEETING OF THE
CORPORATE GOVERNANCE GROUP
THURSDAY 19 JUNE 2014**

Held at 6.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford

PRESENT:

Councillors G S Moore (Chairman), N K Boughton-Smith, N A Brown,
L B Cooper, A M Dickinson, K A Khan, I I Korn and J E Thurman

ALSO IN ATTENDANCE:

J Cornett KPMG
C Williams Baker Tilly

OFFICERS PRESENT:

R Caddy Revenues and Benefits Manager
A Goodman Member Support Officer
J Hicks Strategic Human Resources Manager
P Linfield Service Manager - Finance and Commercial
P Steed Executive Manager - Finance and Commercial
E Walters Democratic Services Assistant
J Wilkinson Health and Safety Advisor

APOLOGIES FOR ABSENCE:

There were no apologies for absence

1. Declarations of Interest

There were none declared.

2. Notes of the Previous Meeting

The notes of the meeting held on Wednesday 23 April 2014 were accepted as a true record.

3. Internal Audit Progress Report 2013/14 and 2014/15

Mr Williams, a representative from Baker Tilly, the Council's internal auditors, presented the final report for the financial year 2013/14. He informed Members that in line with the audit plan, five reports had been finalised since the last meeting of the Group, for the areas of Payroll, Tendering, Risk Management, General Ledger and Treasury Management, Cash & Banking, and that the assurance level all audits was green, the highest achievable.

All the audits and significant recommendations from the previous year's audits had been completed and work had commenced on the Plan for 2014/15. There was currently one audit at the work in progress stage for the area of Human Resources and this which would be presented to the next meeting of the Group in September 2014.

In response to a question regarding the surveys carried out at East Leake Leisure Centre, Mr Williams confirmed that although there was currently no independent verification of the figures, no issues had been identified.

It was AGREED that the Internal Audit Progress Report 2013/14 and 2014/15 be noted.

4. Internal Audit Annual Report 2013/14

Mr Williams presented the Internal Audit Annual Report for 2013/14 that included an overall assessment of the assurances to Members and officers arising from their work last year. He drew Members' attention to the Internal Audit Opinion which gave a conclusion of the adequacy and effectiveness of the Council's arrangements in terms of Governance, Risk Management and Control. All three areas had been given an assurance rating of green, the highest achievable. During 2013/14, a total of 20 individual audit reviews had been undertaken, of which 16 were given a substantial assurance rating of Green and 4 given a reasonable assurance Amber/Green.

In relation to the changing nature of the way Councils operate and the subsequent effect on the governance and risk management of contractors, Members were informed that the Audit Plan was driven by the Council's risk profile. The Audit Plan and the mechanisms used to deliver it were regularly reviewed as relationships and risks changed and this was reflected in the Risk Management Framework.

It was AGREED that the Annual Report 2013/14 be noted.

5. Fraud and Irregularities Update

The Revenues and Benefits Manager presented a report that outlined the successful detection of fraud by the Council in 2013/14. There had been no special fraud investigations during 2013/14 by Internal Audit to bring to Members attention. With regard to Council Tax and Housing Benefit Fraud there had been 78 cases investigated of which 19 cases had been found to be irregular and overpayments of £246,588 had been identified. The number of cases where sanctions had been applied had decreased from 18 in 2012/13 to 11 in 2013/14.

Members were informed that, as in previous years, an exercise had been undertaken during 2013/14 to review council tax and NNDR discounts and reliefs. A total of 5,542 review forms were issued and this resulted in the removal of 439 discounts with an estimated value of £153,391. The Council had also participated in the Audit Commission's biennial data-matching exercise which involved reviewing Council Tax and Electoral Register data and the results were currently being reviewed.

The Revenues and Benefits Manager explained that from 1 November 2015, the benefit fraud investigation work of local authorities, DWP and HMRC would be merged into one service known as Single Fraud Investigation Service (SFIS). Therefore the Council would need to consider how to approach fraud work in the future, in order to address other areas of potentially fraudulent activity.

Following questions, Members were informed that the Council always made attempts to recover overpayments, however the amount recovered depended on the individual circumstances. For 2013/14, of the £246,588 identified there was currently £162,629 outstanding and £18,723 in relation to 2012/13. However, the expenditure for Housing Benefit and Council Tax Reduction Scheme was in excess of £22m per annum, with overpayments only amounting to 1.1% of the total spend. In addition to any money recovered, the Council also received a subsidy of 40% of the overpayment from the Government.

The Group requested that in future reports, the yearly comparison data should be displayed in a clearer format to aid understanding.

Action Consideration be given to altering the presentation of trend data in future reports

In response to a question, the Revenues and Benefits Manager confirmed that following the review of single person discounts in 2008, in conjunction with Experian and Northgate, 5% of discounts were removed. The process was to be repeated this year and it was anticipated that similar results would be achieved. Payment would only be made if the information received lead to the removal of a discount and the cost of the exercise would be shared between the Council Nottinghamshire County Council, the Fire Service and Nottinghamshire Police.

To put the Council's work in a national and regional context Mr Cornett, representing the Council's external auditor KPMG, presented a report on "Protecting the Public Purse Fraud Briefing" for the financial year 2012/13, that had been provided by the Audit Commission. The report outlined the cost of fraud to local government in England and provided a comparison of Rushcliffe's performance with the other local district councils in Nottinghamshire.

It was AGREED that the Fraud and Irregularities Update be noted.

6. Health and Safety Annual Report 2013/14

The Health and Safety Advisor presented the Health and Safety Annual Report that set out the Council's occupational health and safety performance for the period 1 April 2013 to 31 March 2014. The report highlighted the key issues that elected Members needed to be aware of including details of new policies that had been implemented as part of the control measures within the corporate health and safety framework. It was another good year for Health and Safety. Accident reports had decreased by 25% and the days absent from work as a result of an accident at work had decreased significantly.

The Group questioned the accident statistics for Leisure Centres and expressed surprise that East Leake had so few accidents recorded. The Health and Safety Advisor explained that it may be due to there being less risks at East Leake for example the pool was not used for recreational swimming. Therefore accidents on poolside were significantly less.

In response to a question the Health and Safety Advisor informed the Group that there was a written policy on pandemics. Members also asked if risks were reviewed based on Home Office advice and were informed that the Emergency Planner from the County Council dealt with that. He comes to talk to the Group once a year.

It was AGREED that the Group;

- a) endorses 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 2013/14; and
- c) endorses the proposed health and safety objectives for 2014/15 as set out in the report.

7. Final Accounts Update 2013/14 – Annual Governance Statement and Accounting Policies

The Service Manager - Finance and Commercial presented the draft Annual Governance Statement. Most of the principles and the framework were unchanged from the previous year though there had been a difference this year with regard to Councillor Policies and Significant Governance Issues. The six core principles were drawn up in line with CIPFA (Chartered Institute of Public Finance and Accountancy) and SOLACE (Society of Local Authority Chief Executives) guidance.

The Group was informed that it was good practice for the Annual Governance Statement to be considered separately to the published accounts, which would be presented to the Group for consideration at the meeting in September. In line with guidance, the Annual Governance statement would be based on the details set out in appendix 2 of the report.

The Group were informed that the Statement included several significant issues for the Council highlighted at section 4.1 of the Statement

The Service Manager - Finance and Commercial discussed the Accounting Policy amendments and additions which could be due to the following:

- International Accounting Standard changes
- Legislative changes, for example the Collection Fund accounts have been revised to reflect new arrangements for the collection and distribution of business rates.
- Internal changes at Rushcliffe.

In respect of the Collection Fund and the Nottinghamshire Pool for NNDR income, the Executive Manager - Finance and Commercial explained how this arrangement benefited the Council and did not impact on the income received.

Following a question on how the reclassification of coal power stations would impact on the Collection Fund the Executive Manager - Finance and

Commercial explained that this presented risks for the Nottinghamshire Pool as a whole, given the fact that there were a number of power stations in Nottinghamshire and that being in the pool was one way of mitigating the risk.

It was AGREED that

- a) the details given in Appendix 2 of the report be supported as the basis for the Annual Governance Statement to be included in the annual Statement of Accounts; and
- b) the changes to the Accounting Policies as highlighted in Appendix 3 of the report be approved.

8. 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 2014/15.

The Group AGREED the Work Programme as set out below:

Date of Meeting	Item
4 September 2014	<ul style="list-style-type: none"> • Internal Audit Progress Report 2014/15 • Statement of Accounts 2013/14 • External Auditors Annual Governance Report 2013/14 • Corporate Governance Annual Report 2013/14 • Risk Management Update • Treasury Management Update • Revenue & Capital Budget Monitoring • Work Programme
13 November 2014	<ul style="list-style-type: none"> • Internal Audit Progress Report 2014/15 • Health and Safety Interim report • Annual Audit Letter • Revenue & Capital Budget Monitoring • Work Programme
29 January 2015	<ul style="list-style-type: none"> • Internal Audit Progress Report 2014/15 • Treasury Management Update and Presentation • Risk Management Update • Revenue and Capital Budget Monitoring • Work Programme

Date of Meeting	Item
26 March 2015	<ul style="list-style-type: none">• External Audit Plan 2014/15• Certification of Grants and Returns – Annual Report 2013/14• Internal Audit Progress Report 2014/15• Internal Audit Strategy 2015/16• Revenue & Capital Budget Monitoring• Work Programme

The meeting closed at 7.25 pm.

Action Sheet
Corporate Governance Group - Thursday 19 June 2014

Minute Number	Actions	Officer Responsible
2 Notes of the Previous Meeting	None	
3 Internal Audit Progress Report 2013/14 and 2014/15	None	
4 Internal Audit Annual Report 2013/14	None	
5 Fraud and Irregularities Update	Consideration be given to altering the presentation of trend data in future reports	The Executive Manager – Finance and Commercial
6 Health and Safety Annual Report 2013/14	None	
7 Final Accounts Update 2013/14 – Annual Governance Statement and Accounting Policies	None	
8 Work Programme	None	