



**NOTES
OF THE MEETING OF THE
CORPORATE GOVERNANCE GROUP
THURSDAY 26 MARCH 2015**

Held at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road,
West Bridgford

PRESENT:

Councillors G S Moore (Chairman), L B Cooper, I I Korn, A MacInnes (Substitute for N K Boughton-Smith), Mrs M M Males (Substitute for A M Dickinson), P Smith (Substitute for N A Brown), J E Thurman and H Tipton

ALSO IN ATTENDANCE:

N Bellamy	KPMG
C Williams	Baker Tilly
R Walton	KPMG

OFFICERS PRESENT:

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

APOLOGIES FOR ABSENCE:

Councillors N K Boughton-Smith, N A Brown, A M Dickinson and K A Khan

33. Declarations of Interest

There were none declared.

34. Notes of the Previous Meeting

The notes of the meeting held on Thursday 29 January 2015 were accepted as a true record.

35. External Audit Plan 2014/15

Mr Bellamy presented the External Audit Plan 2014/15 that summarised the work that the Council's external auditors KPMG proposed to undertake in respect of the audit Council's financial statements for 2014/15. He informed Members that, as in previous years, KPMG would take a risk based approach to the audit and that the plan would remain flexible as risks and issues may change throughout the year. The initial assessments presented in the plan would be kept under review and any new risks that emerge would be evaluated and responded to accordingly.

Mr Bellamy reported that an initial risk assessment of the financial statements audit and Value for Money (VFM) had been completed and no significant risks had been identified. He explained that the VFM audit approach meant that KPMG would only carry out as much work as was appropriate to issue a safe conclusion.

In addition to the two standard risks of management override of controls and fraudulent revenue recognition, only one other risk had been highlighted. This concerned the correct accounting treatment of Streetwise Environmental Limited when consolidated within the Council's Accounts. The previous year's risk concerning the cash reconciliation process was not included this year due to controls implemented by officers to mitigate the risk.

In response to questions Mr Bellamy explained how the audit of Streetwise Environmental Limited would be undertaken and how this would feed into the Council's Statement of Accounts

The members of the audit team had been refreshed from last year, with changes to the Audit Manager and the In-Charge Auditor. The Audit was currently planned to commence on 27 July 2015 and on conclusion, the findings would be presented to the Group in the Report to Those Charged with Governance (ISA 260 report) and the Annual Audit Letter.

The planned fee for the audit was £55,050, an increase of £900 over the amount set out in the Audit fee letter 2014/15. This was due to addition work in relation to Business rates, as required by the Audit Commission and applied to all district councils.

It was AGREED that the External Audit Plan 2014/15 be accepted.

The Chairman thanked Mr Bellamy and Mr Walton for their work over the last year.

36. Internal Audit Progress Report 2014/15

Mr Williams, a representative from Baker Tilly, the Council's internal auditors, informed Members that in line with the audit plan, two reports had been finalised since the last meeting of the Group, for the areas of Council Tax and NNDR. He reported that the assurance level for both audits was green, the highest achievable and that there was only one medium risk recommendation, for the area of NNDR.

There were currently six audits at the work in progress or draft stage for the areas of Nottinghamshire Parking Partnership, Ordering and Creditors, joint Co-operation agreement for the Garages and Fleet, Payroll, Treasury Management Cash and Bank and Follow Up, which would be presented to the next meeting of the Group in June 2015, along with the Annual Audit report.

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

The Chairman thanked Mr Williams for attending the Group's meetings over the last year and for answering Members' questions.

37. Risk Management Update

The Executive Manager – Operations and Corporate Governance informed Members that the Council's Risk Management Strategy had been refreshed and reported to the Group at the November meeting. The Strategy set out the process for managing risk and stated that the Corporate Governance Group be provided with updates on risk management arrangements as it was their responsibility is "to oversee and scrutinise the effective management of risk by officers". The annual audit of risk management, completed in November 2014, confirmed that the Council continued to manage risk effectively and concluded that it had retained its Green status rating. There were three notable recommendations arising from the 2014/15 audit as follows:

- 'A Risk Assessment Form should be introduced to assist the Executive Managers and Lead Specialists with the risk assessment process.'
- 'As good practice, all the relevant staff should be provided with regular refresher training on risk management.'
- 'A formal assurance framework should be put into place and used by the Council to evidence the existence and viability of the sources of assurance upon which it places reliance in order to manage its risks and achieve its objectives.'

The Executive Manager – Operations and Corporate Governance reported that a risk evaluation template had been implemented and used to develop the profile of new risks. Refresher training for all managers that were responsible for maintenance of risks had been arranged with the Council's insurer Zurich. The Council's assurance framework had been adopted and implemented to assist with the management of risk ensuring that there was a visible link to the Council's objectives.

Throughout the year the Council's Corporate Risk Management Group had met on four occasions in order to oversee the management of risk across the organisation and review, where necessary, operational and strategic risks. These meetings ensured consideration was given to reviewing the risk register, amending or updating existing risks and ratings, verifying control measures and, where necessary identifying new risks. The process continued on from previous work to remove unnecessary risks that were low scoring; those with the lowest likelihood or impact and / or risks that had effective mitigation and were under control. Additionally a number of new risks had been identified that needed to be added to the register taking into account the changing nature of the Council's business and its priorities.

As a consequence of this continual review process, the number of corporate risks had been increased from 27 to 29 and the number of operational risks had decreased from 25 to 22, an overall reduction of one since February 2015. The number of risks within the registers would fluctuate throughout the year as active risk management was undertaken, however it was unlikely that they would rise significantly to the 73 risks on the registers before the 2013 review. Changing pressures facing local government and the proactive work of managers to identify risks as they emerged would continue to influence new

risks added to the register and demonstrated the Council's aim to be proactive to mitigate risk.

In response to questions, the Executive Manager – Operations and Corporate Governance explained that in respect of the score for risk CRR_TR06 “Failure to properly manage and deliver significant projects – Leisure and Office move”, the impact should remain the same but the likelihood should reduce as a result of the internal controls. Risk CRR_FC11 “Central Government policy changes” had the highest score as this related to uncertainty surrounding future funding streams including New Homes Bonus and business rates retention.

The Emergency Planning Officer gave an update to Members on the work undertaken in respect of Emergency Planning, since the last report to the Group. He explained that Rushcliffe Borough Council's emergency planning officer was provided by Nottinghamshire County Council as part of a Service Level Agreement. The roles and responsibilities within Nottinghamshire County Council's emergency planning team were periodically reviewed to ensure that staff gain experience in each diverse area of work. Therefore from 1 April 2015, Karen Emery would take over the role of supporting Rushcliffe Borough Council's emergency planning and business continuity duties. This strategy had the benefit of strengthening the resilience of each organisation as more members of the emergency planning team would have a detailed knowledge of the structures and procedures in place within the Council.

The Emergency Planning Officer reported that the flood support schemes that originally applied to properties affected between December 2013 and April 2014 had been extended by the Government to include the 2013/14 financial year. The cost of each scheme would be funded by the Government and people whose homes were flooded internally could be eligible for a council tax discount and the Repair and Renew grant of £5,000 to pay for work that improves a property's ability to withstand future flooding. Businesses that were flooded internally could be eligible for 100% business rate relief for three months and the Repair and Renew grant.

As part of the Local Resilience Forum work-plan, the Council was working with the Environment Agency to develop a local flood response plan that provided specific information about communities that were at significant risk of flooding within the borough. The emergency planning content on Council's website has been reviewed and restructured to be more user friendly and simple to navigate by compiling various pages into one section.

The Emergency Planning Officer informed members that Emergency plans were exercised on a regular basis to identify learning points and provide staff with an opportunity to gain experience. Recent training included a live centre exercise to test arrangements within Nottinghamshire County Council's emergency accommodation plan, a tabletop exercise to test the multi-agency response to a major structural collapse at a sports ground in Nottinghamshire and a call-out exercise to test staff availability. A programme of training events and exercises for 2015/16 had been organised through the Local Resilience Forum to ensure staff were suitably prepared to undertake their role in the event of an emergency.

In response to questions on the locations of rest centres, the Emergency Planning Officer confirmed that the Emergency Plan was flexible. There were

many sites identified including Bingham Leisure Centre and Cotgrave Leisure centre as well as Churches and Community Halls, therefore the closure of the Arena during the building works would not affect the Plan.

It was AGREED that the Corporate Governance Group

- a) note the contents of the report, and
- b) endorse the actions taken to review the risk management arrangements and implement internal audit recommendations

38. 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 2015/16.

The Group AGREED the Work Programme as set out below:

Date of Meeting	Item
18 June 2015	<ul style="list-style-type: none"> • Internal Audit Progress Report 2015/16 • Internal Audit Annual Report 2014/15 • Internal Audit Strategy 2015/16 • Health and Safety Annual Report • Final Accounts and Annual Governance Statement 2014/15 • Corporate Governance Annual Report 2014/15 • Fraud & Irregularities 2014/15 • Revenue & Capital Budget Monitoring • Work Programme
3 September 2015	<ul style="list-style-type: none"> • Internal Audit Progress Report 2015/16 • Statement of Accounts 2014/15 • External Auditors Annual Governance Report 2014/15 • Treasury Management Update • Revenue & Capital Budget Monitoring • Work Programme
3 December 2015	<ul style="list-style-type: none"> • Internal Audit Progress Report 2015/16 • Health and Safety Interim report • Risk Management Update • Annual Audit Letter • Revenue & Capital Budget Monitoring • Work Programme

The meeting closed at 7.45 pm.

Action Sheet
Corporate Governance Group - Thursday 26 March 2015

Minute Number	Actions	Officer Responsible
34 Notes of the Previous Meeting	None	
35 External Audit Plan 2014/15	None	
36 Internal Audit Progress Report 2014/15	None	
37 Risk Management Update	None	
38 Work Programme	None	