

**NOTES
OF THE MEETING OF THE
CORPORATE GOVERNANCE GROUP
MONDAY 29 JUNE 2015**

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

PRESENT:

Councillors G S Moore (Chairman), R A Adair (Substitute for S C Matthews),
N A Brown, M Buckle, G Davidson, A M Dickinson, R Hetherington,
A MacInnes and J E Thurman

ALSO IN ATTENDANCE:

C Williams Baker Tilly
K Waddoups Baker Tilly

OFFICERS PRESENT:

A Goodman Member Support Officer
A Graham Chief Executive
J Hicks Strategic Human Resources Manager
A Holmes Property Services Manager
P Linfield Interim Executive Manager - Finance and Commercial
K Marriott Executive Manager – Transformation
P Mason Principal Benefit Officer

APOLOGIES FOR ABSENCE:

Councillor S C Matthews

1. Declarations of Interest

There were none declared.

2. Notes of the Previous Meeting

The notes of the meeting held on Thursday 26 March 2015 were accepted as
a true record.

3. Internal Audit Progress Report 2014/15

Miss Waddoups, a representative from Baker Tilly, the Council's internal
auditors, presented the final report for the financial year 2014/15. She
informed Members that in line with the audit plan, six reports had been
finalised since the last meeting of the Group, 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. The assurance level for the audits of Nottinghamshire Parking
Partnership, Ordering and Creditors, and Treasury Management Cash and
Bank was green, the highest achievable. The audits of Payroll and the Joint
Co-operation Agreement for the Garages and Fleet had been given an

assurance of amber/green and there were only seven medium risk recommendations from the six audits. All the audits and significant recommendations from the previous year's audits had been completed and work had commenced on the Plan for 2015/16.

In response to questions on the Joint Co-operation Agreement for the Garages and Fleet, Members were informed that Nottingham City Council would also conduct their own audit of the service. In respect of the audit of Nottinghamshire Parking Partnership, Members commented on the recommendation in relation to the unsigned Service Level Agreement. The Group felt it would be beneficial to receive a report giving details of the Council's Partnerships that involved Service Level Agreements. Members were informed that Partnerships were subject to scrutiny by the Partnership Delivery Group and not all the agreements were contractual.

Action the Executive Manager – Transformation to provide the Group with details of the Council's Partnerships that involved Service Level Agreements.

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

4. Internal Audit Annual Report 2014/15

Mr Williams presented the Internal Audit Annual Report for 2014/15 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 and there were no significant internal control issues to bring to members' attention. During 2014/15, a total of 14 individual audit reviews had been undertaken, of which 12 were given a substantial assurance rating of Green and two were given a reasonable assurance Amber/Green.

In response to questions, Mr Williams confirmed that the amber/green assurance rating for the audit of payroll was as a result of the Agreement not being signed by both parties. The Taxi Licensing Process Review audit was rated "advisory" as this was an addition to the original Audit Plan. A full review of taxi licensing processes had been scheduled for October 2015 as part of the Audit Plan 2015/16 and the findings would be reported to the November meeting of the Group.

It was AGREED that the Annual Report 2014/15 be noted.

5. Internal Audit Strategy 2015/16 – 2016/17

Members considered the report that detailed the Internal Audit Strategy 2014/15 to 2016/17 and the Audit Plan for the 2015/16 financial year. Annually the Internal Audit team, in consultation with senior officers, examined the underlying risks facing the council and updated the strategy and the resultant audit plan.

The Group considered the report, in relation to the following three questions;

- Was the Corporate Governance Group satisfied that sufficient assurances were being received within their annual plan to monitor the organisation's risk profile effectively?
- Did the strategy for internal audit cover the organisation's key risks as they were recognised by the Corporate Governance Group?
- Was the Corporate Governance Group content that the standards within the charter in were appropriate to monitor the performance of internal audit?

Mr Williams reported that as well as assignments designed to provide assurance or advisory input around specific risks, the Strategy also included: a contingency allocation, time for tracking the implementation of actions and an audit management allocation.

Mr Williams explained that dates had been set for each of the audits for 2015/16 to ensure that the plan was achieved within the defined timescales. There were 11 contingency days built into the plan to deal with any additional items of work or any area that required further resources. The fee for the internal audit service for 2015/16 was £47,965, an increase of 3.9% on the previous year. However, this was still lower than the £62,220 in 2013/14 and reflected the improved risk profile for the Council.

In response to questions, Mr Williams confirmed that ICT was regarded as a high priority area. As such, ten days had been allocated to the audit and the review would be carried out by specialist auditors. Although there was no specific audit of Procurement in the plan, a review of Tendering and Contracts was scheduled for February 2016. He explained that as procurement was involved throughout most service areas this was included within the individual audits.

It was AGREED that the Updated Internal Audit Strategy and detailed Audit Plan 2015/16 - 2016/17 be approved.

6. Health and Safety Annual Report 2015/16

Members considered the Health and Safety Annual Report that set out the Council's occupational health and safety performance for the period 1 April 2014 to 31 March 2015. 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. Furthermore, the report provided an indication of the effectiveness and success of the health and safety control measures the Council had in place, evidence of training delivered, progress towards meeting health and safety aims and objectives, and the number of accidents recorded.

The Health and Safety training needs of the Council's employees were identified in a number of ways including; Personal Development Reviews (PDR's), regular one to ones, team meetings and through the Executive

Management Team. It was the role of the Health and Safety Advisor to ensure that training was consistent with the Council's duties and legal responsibilities. A rolling training programme was produced each year, which provided regular refresher training for existing employees, mandatory induction courses for new employees and significant practical on the job training. All health and safety training needs that had been identified in PDR's for this year had either been delivered.

The Strategic Human Resources Manager explained that the Council had three health and safety groups in place, the Corporate Health and Safety Group, the Employee Health and Safety Group and the Legionella and Asbestos Management Group, to ensure that there was a corporate approach to relevant issues.

The report stated that in line with its health and safety duties and responsibilities, the Council had a programme of policy review and implementation to support effective health and safety management. In accordance with the objectives agreed by the Group in June 2014, risk based audits on Display Screen Equipment, Control of Substances hazardous to Health and Manual handling had been completed. Reviews of the Bomb Threat, Accident Reporting and Hepatitis Policies had been completed and a Health and Safety Manual for the New Streetwise Service had been produced.

The Strategic Human Resources Manager informed Members that the number of reported accidents had significantly decreased across all categories compared with last year, except for slips and trips that showed a slight increase. During the twelve month period, three accidents had been reported to the Health and Safety Executive, as required by the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) legislation, as the employees concerned had over seven days off work.

The Group noted that since the last Annual Report to the Group the Streetwise section had become a social enterprise organisation. As a result the performance information for Streetwise Environmental Limited was now shown separately from the Council's figures, enabling Members to have an overview of the health and safety performance in a similar way to that of the Leisure Centres. The Council's Health and Safety Advisor would continue to oversee the health and safety function at Streetwise Environmental Limited. Initially, the new company had been scrutinised by the Partnership Delivery Group, before being transferred to the Performance Management Board for ongoing monitoring.

In respect of the accident figures for the leisure centres, there had been 479 accidents to members of the public over the last 12 month period compared to 473 for the same period in 2013/14. Members were reminded that these facilities were privately managed and as such, responsibility for health and safety management lay with the companies delivering the facilities.

In response to questions, the Strategic Human Resources Manager reported that there had not been any bomb scares reported for many years and that officers received regular training on the operation of the Evac-Chairs. All floors of the Civic Centre, including the flats above, were connected to the main fire alarm system. The Council's Health and Safety Advisor regularly liaised with

the tenants to ensure they were meeting their Health and Safety requirements and all the tenants were fully aware of the procedures in event of the fire alarm evacuation. All the Council's play equipment was inspected on a weekly basis and in addition there was a schedule of inspection and maintenance.

It was AGREED that:

- a) the significant progress made against the health and safety goals and objectives previously agreed by the Group for the financial year 2014/15 be noted; and
- a) the proposed health and safety objectives for 2014/15 as set out in the report be endorsed.

7. Local Government Act 1972

It was AGREED that the public be excluded from the meeting for consideration of the following item of business pursuant to section 100A (4) of the above Act on the grounds that it is likely that exempt information may be disclosed as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

8. Civic Centre Options

As part of the decision made by Cabinet on 9 June 2015, the Corporate Governance Group was requested to consider and comment upon the future options for the current Civic Centre, following the relocation of the Council's offices to the Arena site. The Group's views and any recommendations would be incorporated into the Chief Executive's report scheduled to be presented to Cabinet on 21 July 2015.

The Group considered the report of the Chief Executive and the detailed presentation in respect of the advised options for the future use of the current Civic Centre.

It was AGREED that the Group recommend to Cabinet that:

- a) officers make the necessary arrangements for the site to be marketed for disposal in line with the timescales contained within the presentation; and
- b) more than one property agent should be appointed to market the site and that this should include a national or London based agent.

9. Fraud and Irregularities 2014/15

The Principal Benefit Officer presented a report that outlined the successful detection of fraud by the Council in 2014/15. With regard to Council Tax and Housing Benefit Fraud there had been 70 cases investigated of which 24 cases had been found to be irregular and overpayments of £142,804 had been identified, compared to £246,588 in 2013/14. The number of cases where sanctions had been applied had increased from 11 in 2013/14 to 20 in 2014/15. Additionally overpayments totalling £68,997 were identified from the remaining 46 cases that were investigated, but not classed as fraud.

Members were informed that the Council always made attempts to recover overpayments, however the amount recovered depended on the individual circumstances. For 2014/15, of the £142,804 identified there was currently £73,597 outstanding and £155,182 in relation to 2013/14. However, the expenditure for Housing Benefit and Council Tax Reduction Scheme was in excess of £22m per annum, with overpayments only amounting to 0.65% of the total spend. In addition to any money recovered, the Council also received a subsidy of 40% of the overpayment from the Government.

In September 2014 the Government piloted a new data-matching initiative using Real Time Information from HMRC regarding earnings and pensions. The council received 208 referrals between September and February and identified £70,475 in housing benefit overpayments and as result, following the successful pilot the practice will continue.

During 2014/15 the Council became aware of potential issues regarding the administration of Taxi Licensing. Following a review by Internal Audit, enhanced management systems and controls were implemented.

The Principal Benefit Officer 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 make alternative arrangements, in order to address other areas of potentially fraudulent activity.

As in previous years, an exercise had been undertaken during 2014/15 to review council tax and NNDR discounts and reliefs. A total of 2004 reviews were conducted which resulted in the removal of 138 discounts with an estimated value of £55,424.

Members were informed that From July to October 2014 a project was undertaken in partnership with an external company to maximise New Homes Bonus income. In total 93 long term empty properties were identified that could now be occupied, with a potential income for the Council of £800,000. In November 2014 a further project was commenced in conjunction with an external company, to confirm single person discounts (SPD's) in respect of Council Tax. Over 14,000 cases were screened resulting in 3,024 queries. Of these 3.1% have had the SPD removed to date at an average of £134.84, resulting in an additional £58,386 Council Tax becoming payable in 2014/15. 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.

It was AGREED that the Fraud and Irregularities Update be noted

10. **Final Accounts Update 2014/15 - Annual Governance Statement and Accounting Policies**

The Interim Executive Manager - Finance and Commercial presented the Annual Governance Statement which would be included in the Statement of Accounts. He stated that the principles and the framework were unchanged from the previous year. However some of the content surrounding 'Significant Governance Issues' had inevitably altered due to new risks and opportunities

that had arisen and the changing environment in which the Council operated. 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 Council was also required to report any changes to Accounting Policies to those members charged with governance regarding the Financial Statements. The only change this year reflected the requirement for the Council to provide consolidated accounts in relation to Streetwise Environmental Ltd, as the Council was the 100% owner of the subsidiary company.

It was AGREED that:

- (a) 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
- (b) the change to the Accounting Policies, highlighted in paragraph 4.2 of the report, be approved.

11. **Annual Report**

The Chairman presented the Annual Report that provided a review of the work undertaken by the Corporate Governance Group in 2014/15. The Group had considered the following topics during the year;

- Internal Audit Annual Report 2013/14
- Fraud and Irregularities 2013/14
- Health and Safety Annual report 2013/14
- Final Accounts Update 2013/14 – Annual Governance Statement and Accounting Policies
- Statement of Accounts and External Auditor's Report
- Risk Management
- Certification of Grants and Returns 2013/14
- Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2015/16
- External Audit Plan 2014/15
- Risk Management Update

It was AGREED that the report be approved and referred to Council for consideration.

12. 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
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 Annual Report• 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• Treasury Management Six Month Monitoring Report• Revenue & Capital Budget Monitoring• Work Programme

The meeting closed at 9.55 pm.

Action Sheet
Corporate Governance Group - Monday 29 June 2015

Minute Number	Actions	Officer Responsible
2 Notes of the Previous Meeting	None	
3 Internal Audit Progress Report 2014/15	Provide the Group with details of the Council's Partnerships that involved Service Level Agreements	Executive Manager – Transformation
4 Internal Audit Annual Report 2014/15	None	
5 Internal Audit Strategy 2015/16 – 2016/17	None	
6 Health and Safety Annual Report 2015/16	None	
7 Local Government Act 1972	None	
8 Civic Centre Options	None	
9 Fraud and Irregularities 2014/15	None	
10 Final Accounts Update 2014/15 - Annual Governance Statement and Accounting Policies	None	
11 Annual Report	None	
12 Work Programme	None	

Responses

Minute Number	Actions	Officer Responsible	Response
3 Internal Audit Progress Report 2014/15	Provide the Group with details of the Council's Partnerships that involved Service Level Agreements	Executive Manager – Transformation	The information was circulated to Members by email.