

**NOTES
OF THE MEETING OF THE
CORPORATE GOVERNANCE GROUP
THURSDAY 11 MAY 2017**

Held at 7.00 pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West
Bridgford

PRESENT:

Councillors K P Beardsall, N A Brown, M Buckle, A J Edyvean, S J Hull,
A MacInnes, S C Matthews, G S Moore, Mrs J A Smith (substitute for
Councillor A M Dickinson.)

ALSO IN ATTENDANCE:

A Ali RSM

OFFICERS PRESENT:

N Carter Service Manager – Finance and Commercial
K Emery Emergency Planning Officer
P Linfield Executive Manager – Finance and Corporate Services
A Poole Constitutional Services Team Leader
L Webb Constitutional Services Officer

APOLOGIES FOR ABSENCE:

Councillor A M Dickinson

39. Declarations of Interest

There were none declared.

40. Notes of the Previous Meeting

The notes of the meeting held on 9 February 2017 were accepted as a true record. Regarding the item on Information Governance, Councillor Buckle requested that further clarity be included in the notes to detail the Council's approach to reviewing the requirements of ISO 27001 to achieve accreditation. The Executive Manager - Finance and Corporate Services stated that the Chief Executive had agreed to review the situation and reassured Councillors that it would be part of the scope of the IT audit within the internal audit plan for 2017/18. He added that the Chief Information Officer would complete a gap analysis which would be subject to review.

41. External Audit Plan 2016/17

Councillors expressed their disappointment that KPMG, the Council's external auditors, were absent from the meeting and had not responded to The Executive Manager – Finance and Corporate Services' invitation to present at the meeting. In their absence, The Executive Manager – Finance and Corporate Services summarised their external audit plan for 2016/17. It was stated that KPMG tend to focus on bigger risks, such as the pension's liability

which had already been discussed a number of times at previous meetings and the valuations of land and buildings with a particular focus on the newly opened Rushcliffe Arena. In response to questions, the Executive Manager – Finance and Corporate Services explained the complexities of the valuation of Rushcliffe Arena due to its multi-purpose use of the site both as an office and leisure facility, and also due to the value of the land and car park. He added that the asset was professionally valued by the Council's valuer, the Service Manager – Transformation.

The Executive Manager – Finance and Corporate Services informed the Group that KPMG had highlighted the risk that KPMG may increase their charges for their audit services and would be challenged if appropriate. He explained in the case of the change in Accounting Standards in relation to the Statement of Accounts that he wanted to be sure that the charges were consistent across all local authorities and that this increase was not just applied to the Borough Council.

It was AGREED that the Corporate Governance Group accept the Audit Plan, noting the comments on audit fees at paragraph 4.3.

42. Internal Audit Progress Report 2016/17

Mr Ali a representative from RSM, the Council's internal auditors, presented the final report for the financial year 2016/17. He informed Members that overall it was a positive report and in line with the audit plan, eight reports had been finalised, all with the highest opinion issued with only some minor housekeeping issues and no high priority actions. Some issues that were raised concerned land charges procedure notes and inconsistency in HR policies in which RSM recommended that they be updated more regularly and that employees should be required to sign to confirm their acceptance of the policies. Mr Ali acknowledged that the Follow Up 2 report was still in draft and was with the Executive Management Team for consideration. Mr Ali stated that he could not comment on the draft of the report as it was likely that it may change following their comments. However, it would form part of the Internal Audit Annual Report for 2016/17.

It was AGREED that the Internal Audit Progress Report for 2016/17 be noted.

43. Internal Audit Strategy 2017/18 – 2019/20

Mr Ali also presented the Internal Audit Strategy 2017/18 – 2019/20 which consisted of a one year plan and a three year strategy which was reviewed overtime as priorities and risks could change.

In considering the internal audit strategy, the group were asked to consider the following questions:

1. Is the Corporate Governance Group satisfied that sufficient assurances are being received within our general plan (as set out in appendix A) to monitor the Council's risk profile effectively?
2. Does the strategy for internal audit (set out in appendix B) cover the Council's key risks as they are recognised by the Corporate

Governance Group? Are the areas selected for coverage this year appropriate?

3. Is the Corporate Governance Group content that the standards within the charter in appendix C are appropriate to monitor the performance of internal audit?

Mr Ali explained that the priorities detailed on page 9 had been discussed with the Chief Executive and Heads of Service. Councillor Beardsall suggested that the new legislation concerning IT and data protection should be included as there would be large fines for non-compliance.

The Executive Manager – Finance and Corporate Services reassured members that this was covered within the appendix and that the focus of the audit would be linked to that compliance. Councillor Beardsall added that disaster recovery, business continuity and business resilience should also be covered due to possible effects of the recent move from the Civic Centre to Rushcliffe Arena. However, Mr Ali said that due to lack of resources and only being able to cover areas over a set number of days within the audit, it was unlikely that this would be covered. He highlighted that IT and the loss or failure of systems was covered in the audit each year. The Corporate Governance Group asked that this be re-considered.

ACTION: Mr Ali to discuss with management the issue of disaster recovery and to include within the scope of the IT Audit.

Mr Ali continued to explain the details of the audit from within the appendix attached to the report which outlined the internal audit strategy for the next three years, the roles and responsibilities of the internal audit service and their scope to ensure that the work was delivered on time.

It was **AGREED** that the Updated Internal Audit Strategy and detailed Audit Plan 2017/18 - 2019/20 be approved.

44. Risk Management Review Update

The report of the Executive Manager – Operations and Transformation was presented by the Service Manager – Finance and Commercial. Members received an update on the progress made since the presentation given in December 2016. When summarising the report the Service Manager – Finance and Commercial stated that further risk management refresher training was now needed as the last sessions took place in August 2015. Councillors were also informed that risk managers had been reminded to update the risk register once a risk has been reviewed and that a training session was planned for the Leadership Forum on 18 May 2017.

Members were assured that the Risk Register was a live document, reviewed regularly by risk holders and the Executive Management Team. All risks have been reviewed and 6 have been amended. Operational risks complied with the Data Protection Act would be reviewed again in recognition of the change in legislation.

The Service Manager – Finance and Commercial explained that the annual review of the Risk Management Strategy was approved in April and that the number of risks had increased since the last update, demonstrating that this was a “living” document which is proactively managed. He explained that some risks in relation to the move from the Civic Centre to Rushcliffe Arena had been removed from the Risk Register whilst others, for example ‘failure to successfully complete the Rushcliffe Arena snagging list’ and ‘challenge to ensure sufficient car parking spaces at Rushcliffe Arena’ had been added. Following questions officers confirmed that there are a number of corporate and operational risks managed in the register in relation to ICT activities and the completion and handover of Bridgford Hall.

After considering the report, Councillors expressed concerns over health and safety risks following Nottinghamshire County Council being fined £1 million after a tractor collided with a member of the public at Rufford Country Park. Councillors also raised their concerns regarding the speed limits of bin lorries. In response to questions the Executive Manager – Finance and Corporate Services agreed to provide further details to the group regarding health and safety procedures for refuse vehicles, specifically speed restrictions. He assured members that they had introduced drug and alcohol policy and mandatory testing of the refuse drivers.

Additionally Councillor Brown was concerned about bin lorries collecting during school hours and the risks with regard to school children and high volumes of traffic.

ACTION: Executive Manager – Finance and Corporate Services to provide to the Chairman (for Group circulation) an update in relation to refuse vehicle speed restrictions.

Councillors were concerned that following the recent break-in at Rushcliffe Arena, security was not included as a risk. The Executive Manager – Finance and Corporate Services stated that the risk register presented to the Group did not include every single risk.

The Corporate Governance Group received a presentation from the Emergency Planning Officer which covered a comprehensive overview of her work. She explained that she is employed by Nottinghamshire County Council but currently spends 2.5 days a week working for Rushcliffe Borough Council. She explained her work including managing spontaneous volunteers, national debrief learning which looks into putting plans in place if there is no power, training in place for Executive Managers, communications, support to the village of Gotham following the flood experienced on 15 June 2016 and how lessons are learned and shared nationally. She added that she had been involved with the preparation for the move to the Arena, including pre-move exercises with Staff from the Civic Centre and the Rushcliffe Community Contact Centre to ensure business continuity.

The Chairman thanked the Emergency Planning Officer for her comprehensive presentation.

45. **Constitution Review Task and Finish Group**

Councillor Beardsall, Chairman of the Member Panel gave an update to the members of the Corporate Governance Group and assured members that their work programme for the next five months was currently on target. A survey monkey questionnaire had been sent out to all members in order for the Group to consider proposals for public speaking at Development Control, Scrutiny and Council meetings. The Group plan to visit other councils to review their processes for public speaking and Councillor Beardsall stated that other Councillors would be invited to accompany them on the visits.

46. **Work Programme**

The Group considered, and agreed, its work programme. It was noted that there would be an IT update for the meeting scheduled 10 May 2018.

ACTION: IT update to be added to the work programme for the meeting scheduled on 10 May 2018.

The Group agreed the work programme as follows:

Date of Meeting	Item
22 June 2017	<ul style="list-style-type: none"> • Internal Audit Annual Report 2016/17 • Health and Safety Annual report • Annual Governance Statement 2016/17 • Review of Constitution • Corporate Governance Group Annual Report 2016/17 • Work Programme
13 September 2017	<ul style="list-style-type: none"> • Statement of Accounts 2016/17 • External Auditors Annual Governance Report 2016/17 • Review of Constitution • Treasury Management Outturn 2016/17 • Revenue & Capital Budget Monitoring • Work Programme
5 December 2017	<ul style="list-style-type: none"> • Internal Audit Progress Report 2016/17 • Health and Safety Interim Report • Treasury Management 2016/17 – Six Monthly Update • Risk Management Update • Annual Audit Letter • Review of Constitution • Revenue & Capital Budget Monitoring • Work Programme

Date of Meeting	Item
8 February 2018	<ul style="list-style-type: none"> • Internal Audit Progress Report 2017/18 • Treasury Management Strategy 2018/19 • Revenue and Capital Budget Monitoring • Certification of Grants and Returns – Annual Report 2016/17 • Work Programme
10 May 2018	<ul style="list-style-type: none"> • External Audit Plan 2017/18 • Internal Audit Progress Report 2017/18 • Internal Audit Strategy 2018/19 • IT Update • Risk Management Update • Revenue & Capital Budget Monitoring • Work Programme

The meeting closed at 8.50pm.

Action Sheet
CORPORATE GOVERNANCE GROUP - THURSDAY 11 MAY 2017

Minute Number	Actions	Officer Responsible
40. Notes of the Previous Meeting	None.	
41. External Audit Plan 2016/17	None.	
42. Internal Audit Progress Report 2016/17	None.	
43. Internal Audit Strategy 2017/18 – 2019/20	Management and Internal Auditors to discuss the issue of disaster recovery and to include this within the scope of the IT audit.	Executive Manager – Finance and Corporate Services.
44. Risk Management Review Update	To provide to the Chairman (for Group circulation) an update in relation to refuse vehicle speed restrictions.	Executive Manager – Finance and Corporate Services.
45. Constitution Review Task and Finish Group	None.	
46 Work Programme	IT Update to be added to the meeting scheduled for 10 May 2018.	Constitutional Services.