



**MINUTES
OF THE MEETING OF THE
CORPORATE GOVERNANCE GROUP
THURSDAY, 9 MAY 2019**

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

PRESENT:

Councillors K Beardsall (Chairman), R Hetherington, R Walker, Mrs C Jeffreys
and N Begum

ALSO IN ATTENDANCE:

Councillors

OFFICERS IN ATTENDANCE:

P Linfield

Executive Manager - Finance and
Corporate Services

H Tambini

Democratic Services Manager

T Coop

Constitutional Services Officer

C Williams

Head of Internal Audit - RSM

APOLOGIES:

Councillors F Purdue-Horan

34 Declarations of Interest

There were no declarations of interest reported.

35 Minutes of the Meeting held on 7 February 2019

The minutes of the meeting held on 7 February 2019, were approved as a
correct record and signed by the Chairman.

36 Internal Audit Progress Report 2018/19

Mr Williams from RSM the Council's Internal Audit provided the fourth and final
Internal Audit Progress Report for the financial year 2018/19. It shows the
Council's current position on the audit programme, along with any significant
recommendations with regards to the audits completed during this period.

Mr Williams provided information on the four assignments that had been
completed since the last meeting of Corporate Governance Group: Budgetary
Control and Setting, Safeguarding, Health and Safety and Follow-Up. Out of
the four assignments, three substantive audits had returned findings of
Substantial Assurance, the Follow-Up was scored differently and received a
Good Progress finding.

The Budgetary Control and Setting audit did not result in any management

actions.

The Safeguarding audit resulted in two low level recommendations and management actions have been agreed.

The Health and Safety audit resulted in one medium and three low level priority recommendations. The medium priority related to closer monitoring of the completion of Health and Safety e-learning modules by staff. Management actions were agreed for all recommendations.

The Follow-Up audit resulted in one medium and five low priority findings being re-raised. Management actions were agreed in respect of all the findings. The medium priority finding related to Garden Waste procedures, where notes had not been updated, following the introduction of GDPR.

Councillor Hetherington questioned the Council's Safeguarding arrangements and to who and when did this apply. Mr Williams advised that Safeguarding applied to all the Council's activities on and off the site, including Council events in and around the Borough.

The Chairman concluded that the report and its findings presented an excellent reflection of how well officers worked.

It was **resolved** that the Internal Progress Report – Quarter 4 report be noted.

37 **Internal Audit Annual Report 2018/19**

Mr Williams from RSM the council's Internal Auditors provided a report that summarised the work undertaken during the course of 2018/19 and management actions arising from the audits. It also provides the annual opinion of the Head of Internal Audit required by Public Sector Internal Audit Standards.

In the appended RSM report, Mr Williams highlighted the completion of the Internal Audit Plan for 2018/19. It was pleasing to note that for 2018/19 RSM had concluded that the Council has an adequate and effective framework for risk management, governance and internal control.

Mr Williams advised that during the financial year 2018/19, RSM had undertaken 13 audits, two advisory reviews, one follow-up review and one procedural review. He added that as reported in the quarterly progress reports, of the 13 audits, 12 resulted in a green substantial assurance rating and one review resulted in an amber reasonable rating. A total of 28 management actions were identified including one 'medium' priority and 27 'low' priority and management actions were agreed in all cases.

Mr Williams added that a further two advisory audits were undertaken for Asset Investment and Streetwise, resulting in three 'medium' and two 'low' priority actions being raised across both audits.

In a separate procedural review of General Data Protection Regulations (GDPR) Governance, Mr Williams informed members that post implementation was undertaken resulting in seven management actions.

Mr Williams concluded that 'good progress' was made in implementing previously agreed management actions from a follow-up review undertaken in quarter 4.

Councillor Walker asked a specific question on the 'Annual Opinion' benchmark, and where Rushcliffe Borough Council performs as an organisation compared to other authorities. Mr Williams provided a broad conclusion advising that very few authorities receive the top or bottom level, adding that Rushcliffe is performing in the top quartile as an organisation and that the Council has an adequate and effective framework for risk management, governance and internal control.

It was **resolved** that the Internal Audit's Annual Report in relation to 2018/19 be noted.

38 **Annual Governance Statement**

The Executive Manager – Finance and Corporate Services provided the Annual Governance Statement 2018/19 and accompanying report. In accordance with the Accounts and Audit Regulations 2015, the Council is required to prepare an Annual Governance Statement (AGS) which will be published alongside the Council's Statement of Accounts.

The Executive Manager – Finance and Corporate Services informed the Group that the AGS reflects the requirements of the updated CIPFA/SOLACE 'Delivering good governance in local government framework (2016)' and incorporates the 7 principles within the Local Code and are referenced in the relevant sections of the AGS. The Executive Manager – Finance and Corporate Services highlighted that other content, for example, 'Significant Governance Issues' will inevitably alter as new risks and opportunities arise and the environment that the Council operates in alters over time, adding that the document remained fluid to allow for any changes moving forward.

Based on the Council's review of the governance framework, the Executive Manager – Finance and Corporate Services advised the Group of the following significant issues to be addressed in 2019/20.

- Delivery of the Transformation Strategy and ongoing budget position – Reporting to EMT, relevant scrutiny group and Cabinet.
- Delivery of the Capital Programme and significant projects such as Bingham Leisure Hub – reporting to relevant scrutiny group and Cabinet.
- Business Rate and Fair Funding developments – reporting to Cabinet and Full Council.
- The potential impact of the Governments Resources and Waste Strategy – reporting to relevant scrutiny group, Cabinet and Full Council.

- Maximising both financial and operational realisation of the Depot site – reporting to relevant scrutiny group, Cabinet and Council.

The Executive Manager – Finance and Corporate Services concluded and advised that the final AGS will be reported, with the Statement of Accounts for approval at the next meeting of the Governance Scrutiny Group on 23 July 2019.

Members asked specific questions regarding the Council's Asset Investment Strategy and Transformation programme and the risks these attract. The Executive Manager – Finance and Corporate Services advised that the decommissioning of the Ratcliffe on Soar power station and the relatively large proportion of business rate tax the Council receives from this is one of the largest risk factors. He advised the Group that the Council is looking at options to mitigate this risk and is actively working with the management of the site to prepare a long term re-development. The Group requested clarity on the amount of business rate tax the power station generated, the Executive Manager – Finance and Corporate Services confirmed this amounts to £5.8m per annum currently.

The Chairman concluded that the report reflected an honest and transparent reflection of what has been scrutinised in the Corporate Governance group meetings during 2018/19 and thanked the officers for their hard work and support.

It was **resolved** that the Annual Governance Statement 2018/19 be approved.

The meeting closed at 7.47 pm.

CHAIRMAN