

**MINUTES**  
**OF THE MEETING OF THE**  
**CORPORATE GOVERNANCE GROUP**  
**THURSDAY, 29 NOVEMBER 2018**

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

**PRESENT:**

Councillors K Beardsall (Chairman), A Brown, B Cooper, R Hetherington,  
N Lawrence, A MacInnes, F Purdue-Horan and R Walker

**ALSO IN ATTENDANCE:**

Councillors

**OFFICERS IN ATTENDANCE:**

P Linfield

Executive Manager - Finance and  
Corporate Services

L Ashmore

Service Manager - Transformation

S Whittaker

Financial Services Manager

T Coop

Constitutional Services Officer

K Emery

Emergency Planning Officer

A Pipes

Manager - Mazars

C Williams

Head of Internal Audit - RSM

**APOLOGIES:**

Councillors G Davidson

**16 Declarations of Interest**

There were no declarations of interest.

**17 Minutes of the Meeting held on 20 September 2018.**

The minutes of the meeting held on 20 September 2018, were approved as a correct record and signed by the Chairman.

**18 Introduction to Mazars - Verbal Introduction**

The Executive Manager – Finance and Corporate Services introduced Anita Pipes – Audit Manager of Mazars Nottingham, the Council's newly appointed External Auditors for the next five years.

Ms Pipes provided a presentation and verbal overview of the audit team and their engagement and responsibilities. Ms Pipes advised the group that Mazars were appointed to perform the Council's external audit for the year to 31 March 2019. The scope of their engagement is set out in the Statement of Responsibilities of Auditors and Audit Bodies, issued by Public Sector Audit Appointments Ltd (PSAA). The responsibilities are principally derived from the

Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office (NAO).

Ms Pipes added that the audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. She provided a timeline of the procedures which will be performed at the different stages of the audit process:

<p><b>Planning</b> December 2018 to January 2019</p>	<ul style="list-style-type: none"> <li>• Updating our understanding of the Council</li> <li>• Initial opinion and value for money risk assessments</li> <li>• Development of the audit strategy</li> <li>• Agreement of timetables</li> <li>• Preliminary analytical procedures</li> </ul>
<p><b>Interim</b> February to March 2019</p>	<ul style="list-style-type: none"> <li>• Documenting systems and controls</li> <li>• Walkthrough procedures and control testing</li> <li>• Early substantive testing of transactions</li> </ul>
<p><b>Fieldwork</b> June to July 2019</p>	<ul style="list-style-type: none"> <li>• Review of draft financial statements</li> <li>• Reassessment of audit strategy, revising if necessary</li> <li>• Delivering our planned audit testing</li> <li>• Continuous communication on emerging issues</li> <li>• Clearance meetings</li> </ul>
<p><b>Completion</b> July 2019</p>	<ul style="list-style-type: none"> <li>• Final review and closure checklist of financial statements</li> <li>• Final partner review</li> <li>• Agreeing content of letter of representation</li> <li>• Reporting to Corporate Governance Group</li> <li>• Reviewing post balance sheet events</li> <li>• Signing our opinion</li> </ul>

The Chairman thanked Ms Pipes for her presentation and invited members to comment. Members of the Group asked specific questions about how the contract was awarded and whether there were any savings for the Council. The Executive Manager – Finance and Corporate Services informed members that the previous contract had come to its end and that Mazars had been successful during the Council’s tendering stage, he added that Mazars were providing a saving of £10,000 on its external audit fee.

## 19 Internal Audit Progress Report - Quarter 2 2018/19

Mr Williams – Head of Internal Audit – RSM provided the Internal Audit Progress Report for Quarter 2. It is the second progress report for the financial year 2018/19 and shows the 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 assignments that had been completed since the last meeting of Corporate Governance Group and the impact of findings to date. He reported that there had been a number of low priority findings identified in NNDR, IT Strategy Review, Payroll and Expenses and Income and Debtors, and advised that Management actions were agreed in respect of these finding. He reported one medium priority finding relating to the IT Strategy Review

**It was RESOLVED that** the Internal Audit Progress Report – Quarter 2 be noted.

## 20 **Health and Safety Interim Report**

The Service Manager – Transformation presented the Health and Safety Interim report which provided members with a summary of the Councils occupational health and safety performance during the six month period, 1 April to 30 September 2018.

The report summarised the council's health and safety policies, procedures and activities. It also set out the training programmes delivered, provided numerical and statistical data and the progress on the health and safety objectives for the year.

The Service Manager – Transformation provided a power point presentation which highlighted the main points for members to consider, these included:

- Completion of low risk health and safety audits across the authority.
- Review of policies that are greater than three years old.
- Look at the new standard for gold award for the Workplace Health Scheme.
- To audit contractors in two of its high risk areas (to be determined).

The presentation continued to provide information on training outcomes, accident forms completed and comparisons with previous years, number of days lost due to absenteeism and accidents to public when using council facilities.

Members considered the report and asked specific questions in respect of the increase in accidents to the public. The Service Manager – Transformation advised that the rise in accidents was a result of increased usage of Council facilities, particularly the Arena usage, adding that most of the accidents reported were minor slips and trips.

Members requested additional information on the Nottinghamshire County Council Workplace Health Scheme and what the criteria is for the Council achieving the gold award.

Members praised officers for their excellent achievements highlighted in the report and requested that the Leadership team pass on Members comments and praise to in particular Depot employees.

**It was RESOLVED that** the Health and Safety Interim report be noted.

## 21 Risk Management Progress Report

The Service Manager – Transformation presented the Risk Management Progress Report and provided an update and summary of risks in the Council's Risk Registers that have changed.

There are currently 35 corporate risks and 28 operational risks and members were advised that the number of risks within the register can fluctuate throughout the year as active risk management is undertaken.

The Service Manager – Transformation provided examples of risks that had changed following the review process:

- OR\_TR23 Challenge to ensure sufficient parking spaces at Rushcliffe Arena

This risk has been removed following successful completion of car park improvements.

- CRR\_C005 Unforeseen incidents happening at public events

This risk has been added following high profile incidents at other events across the country. The assessment is 4 impact and 2 likelihood. A plan is being prepared in order to reduce the risk of an occurrence at an event run by the Council.

Four risks have been amended:

- CRR\_FCS08 Inadequate capital resources

The likelihood has been increased from 1 to 2 due to increased demand on the capital programme;

- CRR\_TR15 Significant reduction in staff morale

The likelihood has increased from 1 to 2 and impact has decreased from 3 to 2 resulting in an overall increase in risk from 3 to 4. This is due to the current uncertainty in respect of the Nottinghamshire Unitary bid and the move of manual staff from Abbey Road Depot;

- CRR\_TR17 Inability to draw down Growth deal 2 funding with the specified timescales

The likelihood has decreased from 3 to 2 and the impact has decreased from 3 to 4. Due to the outline Business case being submitted in November 2018 and funding no longer being linked to accelerated delivery of schemes;

- OR\_CO04 Cost of defending appeals for large residential developments and potential award of costs

The likelihood has increased from 2 to 3 due to the council having to defend two appeals for residential development which were dealt with by way of a public inquiry, incurring significant costs.

The Service Manager – Transformation advised that in early August 2018 the Government raised the potential risk of a ‘no deal’ BREXIT. Technical notices have been released from the Government detailing plans for a ‘no deal’, including instructions for businesses and households on how to prepare. Further notices are expected to be published later in the year.

Members were assured that BREXIT and the risk of a ‘no deal’ was discussed at weekly Executive Management Team meetings, and that the risk for Rushcliffe was considered to be relatively low.

The Emergency Planning Officer provided an update on the Council’s Emergency Planning arrangements for members to consider. An Internal Audit on the Council’s business continuity arrangements was conducted in June 2018, which concluded that there is substantial assurance that the council has appropriate business continuity arrangements in place.

The Emergency Planning Officer updated the Group on the Local Resilience Forum and the recent emergency planning exercises that had been conducted.

- Diamond IV - a flood exercise in February 2018 which prompted the Rushcliffe local flood response plan to be reviewed and updated.
- Part 1 Silver Siren – a 4 day exercise in May 2018 involving a military aircraft crash over the A46 in Rushcliffe. Rushcliffe staff were involved in a practical test of an emergency mortuary within Nottinghamshire.
- Part 2 Jerboa resilience – a 3 day exercise at the end of November 2018. This exercise is the strategic/tactical incident response to part 1. Over the 3 days exercise Rushcliffe will be providing 11 staff from a range of service areas.

The Emergency Planning Officer advised that during the year other training had been facilitated in preparation for the resilience exercises above and staff had attended discussion exercises on Grenfell, Leicestershire Hinkley road explosion, Salisbury Novichock and Shorham air disaster.

The Emergency Planning Officer presented a power point on the Lord Kerslake report into the Manchester Arena terrorist attack. The report seeks to place the experiences of those directly affected by the terrorist attack at the heart of the review. There were 50 recommendations for both single and multiagency partners. These have been reviewed by the Local Resilience Forum in relation to emergency planning in Nottingham/Nottinghamshire.

The Emergency Planning Officer added that Rushcliffe has similar crowded places venues to the Manchester Arena, in Nottingham Forest Football Ground and Trent Bridge. She advised that club representatives and Rushcliffe event staff have attended counter terrorism awareness workshops and both grounds have safety advisory groups (SAG) in place.

Members thanked the Emergency Planning Officer and noted the findings of the Kerslake report. Members were pleased to see that Nottingham Forest Football Ground and Trent Bridge had been recognised as crowded places venues and that emergency planning arrangements were in place.

Members raised specific questions on the recent Severn Trent burst water pipe at Epperstone, which caused loss of water supply to a large area of the Borough. Members expressed their disappointed in Severn Trent Water, who they felt did not act quick enough to get supplies of bottled water out to those areas affected, adding that some vulnerable residents were without water for a number of hours.

The Emergency Planning Officer informed members that Nottinghamshire County Council and Severn Trent Water do have a list of vulnerable people. She advised Members to encourage their vulnerable residents to register with Severn Trent Water.

It was **RESOLVED** that the Group note the Risk Management report and;

- a) Endorse the actions taken to review the risk management arrangements and implement internal audit recommendations
- b) Endorse the work of the Emergency Planning Officer and the Local Resilience Forum

## 22 **Treasury Management 2018/19 - Six Monthly Update**

The Service Manager – Finance provided a report which summarised the capital and investment activities of the Council for the period 1 April to 30 September 2018. The Capital and Investment strategy for 2018/19 was approved by council on 1 March 2018 and outlines the Council's capital and investment priorities as follows;

- Security of capital
- Liquidity of investments and
- Optimising yield earned on investments (cash and property)

The Service Manager – Finance added that the strategy includes indicators which help ensure the Council's capital investment plans are affordable, prudent and sustainable and that setting a Capital and Investment strategy is a requirement of the CIPFA Code of Practise.

The Service Manager – Finance informed the Group of the Council's investment income advising them that a combination of base rate forecasts, constraints on the lending list and the expenditure expected to be incurred on the Capital Programme meant that the Council had budgeted to receive £270,500 in investment income for 2018/19. However the actual interest earned to 30 September 2018 totalled £137,300, with receipts for the year expected to be £315,500. She advised interest receipts were higher than expected due to higher interest rates and delays in the Capital Programme. The Service Manger – Finance added that going forward this could change, for

example if interest rates alter, or there is an unexpected property investment or if there are economic growth consequences of BREXIT which remain speculative.

The Service Manager – Finance provided detailed information in appendices to demonstrate the Council's spread of investments across the financial sector.

Members asked specific questions relating to the risk of institutions the Council were investing in and whether these were set out in the Treasury Management Strategy. Members also requested if they could be provided with the list of investments as a \*AAA rating score as extra information for Members to consider.

The Executive Manager – Finance and Corporate Services provided additional information in respect of the Council's Commercial Investments advising that there had been a reduction in Commercial Investment activity since July 2018, highlighting that the Council had other potential capital demands, in the Crematorium and Bingham Leisure Centre.

It was **RESOLVED** that the Group note the Capital Investment position as at 30 September 2018.

## 23 **Revenue and Capital Budget Monitoring - Quarter 2 2018/19**

The Executive Manager – Finance and Corporate Services provided the Group with an update on the Council's Revenue and Capital Budget position as at 30 September 2018. The Executive Manager – Finance and Corporate Services advised the Group that overall the Council's financial position is relatively stable. There are revenue efficiencies and additional grant income of £53,000 which is offset by a slightly poorer business rate position of £133,000. The net position of £80,000 in adverse variances represents a 0.8% variation against the net expenditure budget, which represents a broadly balanced budget overall. £1.17million is expected to be transferred to reserves, so the Council can meet the financial challenges and risks going forward.

The Executive Manager – Finance and Corporate Services added that the Capital Programme shows a planned underspend of £12.064 million as a result of a 'slow down' in asset investment and the delay in the Depot operations relocating from Abbey Road.

In conclusion the Executive Manager – Finance and Corporate Services advised that the Council's overall position for both revenue and capital is positive. However it was noted that opportunities and challenges can arise during the year which may impact on the projected year-end position.

Members asked specific questions relating to the adverse variances in excess of £15,000 and in particular the additional costs incurred by the increase in fly-tipping and what the Council is doing to reduce these costs. Members also requested if they could be provided with a comparison from last year's costs.

Members who attend PMB stated that it was difficult to target offenders and that the Council were being proactive in those areas most effected. It was

noted that the Council had been successful in securing two prosecutions recently.

It was **RESOLVED** that the Group:

- a) approve the Revenue and Capital Budget Monitoring report;
- b) and that the report is forwarded to Council for approval.

## 24 **Work Programme**

The Committee considered its work Programme.

It was **RESOLVED** that the work programme, as detailed below be approved

### **7 February 2019**

- Internal Audit Progress Report – Quarter 3 2018/19
- External Audit Plan 2019/20
- Internal Audit Strategy 2018 - 2021
- Capital Investment Strategy 2019/20
- Revenue and Capital Budget Monitoring – Quarter 3 2018/19
- Certification of Grants and Return Annual Report 2017/18
- Work Programme

### **9 May 2019**

- Internal Audit Progress Report 2018/19
- Internal Audit Annual Report 2018/19
- IT Progress Report
- Risk Management Progress Report
- Annual Governance Statement
- Work Programme

## **ACTION SHEET**

Corporate Governance Group – 29 November 2018

Minute No	Actions	Officer Responsible
20	Members requested information on the Criteria required for the Gold Award for the Nottinghamshire County Councils Workplace Health Scheme.	Jo Wilkinson - Health and Safety Officer
21	Members requested a full list of risk indicators as an appendix for the next Risk Management report	Executive Manager – Transformation and Operations



21	Members requested a summary of key issues they raised to be fed back to Severn Trent Water and for an update on how risks were being mitigated by Severn Trent Water	K Emery – Emergency Planning Officer
22	Members requested an extra column is added to the table regarding the risk ratings of institutions that the Council has invested with for future reports	Executive Manager – Finance and Corporate Services
23	Members requested a comparison of cost from last year to now for the removal of fly-tipping waste for the Council	Executive Manager – Finance and Corporate Services

The meeting closed at 9.08 pm.

CHAIRMAN