

Minutes of a meeting of the Corporate Governance Committee held at County Hall,
Glenfield on Friday, 24 July 2020.

PRESENT

Mr. T. Barkley CC
Mr. G. A. Boulter CC
Mr. J. Kaufman CC
Mr. J. T. Orson JP CC
Mr. I. D. Ould OBE CC

Mr J. Poland CC
Mr. T. J. Richardson CC
Mr. S. D. Sheahan CC
Mrs. A. Wright CC

1. Appointment of Chairman.

RESOLVED:

That Mr T. Barkley CC be elected Chairman for the period ending with the date of the Annual Meeting of the County Council in 2021.

2. Election of Vice Chairman.

RESOLVED:

That Mr T. J. Richardson CC be elected Vice Chairman for the period ending with the date of the Annual Meeting of the County Council in 2021.

3. Minutes of the meeting held on 12 June 2020.

The minutes of the meeting held on 12 June 2020 were taken as read, confirmed and signed.

4. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 34.

5. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

6. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.

There were no urgent items for consideration.

7. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

Mr. T. J. Richardson CC declared a personal interest in agenda item 12 (Quarterly Treasury Management Report) (minute 12 below refers) as he was in receipt of a pension from Lloyds Bank Plc. He stated that, should the debate on this item go into matters of detail regarding Lloyds Bank Plc, he would consider the matter a “personal interest that may lead to bias” and leave the room.

Mr Ould declared a personal interest in agenda item 8 (Risk Management Update) (minute 8 refers) as he had been a member of the Leicestershire County Council Cabinet which on 23 June 2020 considered the Coronavirus Impact and Response of the County Council Recovery Economic and Financial Impact report, and also in reference to unaccompanied asylum-seeking children (UASC) as he was currently the Chair of the Regional Migration Board. He also declared a personal interest in agenda item 9 (Draft Annual Governance Statement) (minutes 9 refers) as he had been a member of the Leicestershire County Council Cabinet and could be called to attend the Independent Inquiry into Child Sexual Abuse (IICSA).

8. Risk Management Update.

The Committee considered a report of the Director of Corporate Resources which provided an update on the impact of the Coronavirus (COVID-19) in the context of the Council’s risk management arrangements. The report also included a copy of the Corporate Risk Register which provided an update on each risk including an assessment of the risk through the prism of Covid-19 impacts, an update on the role of the Local Resilience Forum (LRF) in managing and responding to the coronavirus pandemic risk and an update on the work of the Property and Occupants Risk Management Group. A copy of the report marked ‘Agenda Item 8’, is filed with these minutes.

As part of this item, the Committee also received a presentation on Corporate Risk 3.7 on the Corporate Risk Register: If the Council does not manage its exposure to cyber risk, then decisions and controls cannot be taken to mitigate the threat of a successful cyber-attack. A copy of the presentation slides is filed with these minutes.

Presentation - Cyber Security Risk Management

- (i) Attempted cyber attacks and threats of attack had become a major ongoing risk for most organisations including the County Council. To date, the County Council had managed to prevent such an attack being successful; however, the constantly evolving nature of cyber attacks, for example the Covid-19 pandemic now being used as bait on electronic communications, meant that cyber security remained a high-risk area and that systems and strategies were required to be reviewed and adapted regularly to keep ahead of the ever-changing situation. In terms of potential mass data loss that could be incurred if an attack was successful it was confirmed that the Council had a data backup strategy in place for such an event.

- (ii) Staff working from home or offsite were only permitted to do so through an approved Council network which was regularly reviewed, and risk assessed to ensure the appropriate security measures were in place.

Risk Management Update

- (iii) The additional details provided in the report on the role of the Local Resilience Forum (LRF) in managing and responding to the coronavirus pandemic risk were welcomed.
- (iv) In response to a question from a member it was confirmed that the way future meetings were conducted, for example, holding remote meetings, meetings in person or a mixture of both, beyond the pandemic period would be considered in due course and that at the last meeting of the County Council the Leader had stated his intention to consult with Group Leaders on the matter at the appropriate time to determine the best way forward. Members were advised that remote meetings were currently only permitted by the regulations until May 2021 and that holding meetings in this way beyond that point would be dependent on an extension to those regulations. It was acknowledged that the pandemic had opened up the prospect of more home working which had led some other councils such as Shropshire County Council to consider downsizing their headquarters and include a greater emphasis of remote working into their future plans.
- (v) In response to a comment raised around ensuring there were robust technical systems in place to cope with remote meetings, it was confirmed that the number of technical issues reported had so far been minimal. Members were also reminded that any problems experienced should be reported as soon as they occurred so that the issue could be quickly resolved. This was also particularly important in ensuring that the current regulations, stipulating that members must be able to see and hear the meeting where possible, were being fulfilled.
- (vi) Members welcomed the suggestion that a presentation be given at the Committee's next meeting on Corporate Risk 6.1 (Brexit - Uncertainty and significant knock on consequences on public services (including potential legal, regulatory, economic and social implications), and the local economy as a result of the United Kingdom leaving the European Union) or Corporate Risk 9.4 (If climate change impacts happen more frequently or at a greater intensity than anticipated, then there is the risk that County Council services will be negatively affected) if the Director of Corporate Resources considers that risk to be more appropriate.

RESOLVED:

- (a) That the impacts arising from COVID-19 on the current status of the strategic risks facing the County Council be noted;
- (b) That at the next meeting of the Committee a presentation be provided on Corporate Risk 6.1 (Brexit - Uncertainty and significant knock on consequences on public services (including potential legal, regulatory, economic and social implications), and the local economy as a result of the United Kingdom leaving the European Union) or Corporate Risk 9.4 (If climate change impacts happen more frequently or at a greater intensity than anticipated, then there is the risk

that County Council services will be negatively affected) if the Director of Corporate Resources considers that risk to be more appropriate;

- (c) That the updates regarding the Local Resilience Forum role in coronavirus risk management, recovery planning, counter fraud and the Property and Occupants Risk Management Group be noted.

9. Draft Annual Governance Statement 2019/20.

The Committee considered a joint report of the Chief Executive and the Director of Corporate Resources, the purpose of which was to present the County Council's draft Annual Governance Statement for 2019/20 for consideration. A copy of the report marked 'Agenda Item 9', is filed with these minutes.

Regarding the Independent Inquiry into Child Sexual Abuse (IICSA) and whether a risk around the new safeguarding partnership arrangements had been identified, assurance was provided that an amber rated risk had been included on the Children and Families Departmental Risk Register and would be monitored going forward.

A member commented on the great work the Council undertook each year to provide an effective flu vaccination programme for its staff in preparation for the winter period and highlighted the importance of this service to mitigate the impact of winter on the health service. Given the effects of the Covid-19 pandemic and the national lockdown restrictions that were currently in place, it was expected that a different approach to programme delivery would be considered this time around.

RESOLVED:

- (a) That the Draft Annual Governance Statement for 2019/20 attached as an appendix to the report be noted and supported without amendment;
- (b) That the two areas identified as significant governance issues in the Draft Annual Governance Statement be noted;
- (c) That it be noted that the Annual Governance Statement, which may be subject to such changes as are required by the Code of Practice on Local Authority Accounting, has been prepared in accordance with best practice.

10. Annual Report on the Operation of the Members' Code of Conduct 2019/20.

The Committee considered a report of the Director of Law and Governance regarding the operation of the Council's Members' Code of Conduct from July 2019 to date. A copy of the report marked 'Agenda Item 10', is filed with these minutes.

RESOLVED:

That the annual report on the operation of the Council's Members' Code of Conduct 2019/20 be noted.

11. Local Government Association (LGA) Model Code of Conduct Consultation.

The Committee considered a report of the Director of Law and Governance, the purpose of which was to inform the Committee of the Local Government Association (LGA) Consultation on a new model Code of Conduct for elected members and to present a draft response for its consideration. A copy of the report marked 'Agenda Item 11', is filed with these minutes.

In introducing the report, the Director confirmed that any comments made by Committee members on the County Council's draft response, which was provided as Appendix B to the report, would be taken into consideration when producing the final response for submission to the LGA. Additionally, members could choose to respond to the consultation in their own right or as part of their political group before the closing date on 17th August 2020. Members were also informed that details of the consultation had previously been circulated to the Group Leaders and Group Whips to enable them to respond as they considered appropriate.

Regarding the County Council's draft consultation response, members made the following comments: -

- Social media related conduct should be integrated in the overall Code of Conduct rather than introducing a separate Code.
- There would need to be clarity on when the Code will apply in instances of social media given that many elected members have separate personal and professional social media accounts. Also, guidance to distinguish what might be a political view which some may disagree with, from what is improper behaviour, would be helpful.
- The LGA should challenge social media companies to adopt a similar Code of Conduct to local authorities to require them to take action in instances such as online trolling.
- The wording in relation to declarations of interest was ambiguous and required clarification to ensure that members, particularly those serving more than one council or body, were not precluded from carrying out their often-wide ranging duties.
- Conflicts of interest for members elected to serve on the Executive of more than one council were perceived to be more complex.
- Sanctions should be included within the Model Code of Conduct for members that failed to comply with the rules of the Code.

[The Director confirmed that the need for local authorities to have greater enforceable sanctions had previously been referenced by the Committee on Standards of Public Life in its Local Governance Ethical Standards report which had been published in January 2019; however, fulfilling this need required a change in legislation which had not been forthcoming. Members were reminded that the Code did not supersede the law but was instead supplementary.]

RESOLVED:

- (a) That the Monitoring Officer be authorised to produce a final response for submission to the LGA, following consultation of the Chairman of this Committee as appropriate;
- (b) That the Monitoring Officer be requested to consider the comments now made on the proposed response of the County Council to the LGA consultation on the new model Code of Conduct when producing the final response for submission to the LGA.

12. Quarterly Treasury Management Report.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to update the Committee on the actions taken in respect of treasury management for the quarter ending 30 June 2020. A copy of the report marked 'Agenda Item 12', is filed with these minutes.

Arising from discussion the following points arose:

- (i) Money Market Funds (MMFs) aimed to offer investors high liquidity with a very low level of risk allowing withdrawals to be made at any time.
- (ii) Loans from Leicestershire County Council to other local authorities were not planned at the current time. With regard to potential lending opportunities to the national government that were expected to arise from the Covid-19 pandemic, it was confirmed that if such opportunities arose the options would be considered.

RESOLVED:

That the actions taken in respect of treasury management for the quarter ending 30 June 2020 be noted.

13. Internal Audit Service Progress Report.

The Committee received a report of the Director of Corporate Resources which summarised the work conducted during the period 30 May to 10 July 2020, highlighted audits where high importance recommendations had been made, provided information on how the coronavirus had affected the Internal Audit Service, introduced CIPFA's (Chartered Institute of Public Finance and Accountancy) work on standardising engagement opinions across internal audit in the public sector and advised the approach being taken to prepare the Internal Audit Plan for 2020-21. A copy of the report marked 'Agenda Item 13', is filed with these minutes.

RESOLVED:

That the update now provided, and the internal audit work conducted during the period 30 May to 10 July 2020, together with progress made on the implementation of high importance recommendations be noted.

14. National Audit Office - Guide for Audit and Risk Committees on Financial Reporting and Management During COVID-19.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present a copy the National Audit Office's (NAO) guide for Audit & Risk Committees on financial reporting and management during Covid-19 for consideration and comment in advance of a report to the Committee in the Autumn detailing the County Council's response. A copy of the report marked 'Agenda Item 14', is filed with these minutes.

RESOLVED:

- (a) That the contents of the National Audit Office's Guide for Audit & Risk Committees on Financial Reporting and Management During Covid-19, attached as an appendix to the report, and the update now provided be noted;
- (b) That at the next meeting of the Committee a further report detailing the County Council's response, be provided.

15. Date of next meeting.

Members noted that the date of the next meeting would need to tie in with the amended deadlines for the completion and external audit of the financial statements, which had previously been reported to this Committee. Officers undertook outside of the meeting to consider the most suitable date, in consultation with the Chairman of this Committee, and confirm this with members.

RESOLVED:

That the date of the next meeting was to be confirmed.

10.00 – 11.45
24 July 2020

CHAIRMAN