



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 20 February 2015.

PRESENT

Mr. E. D. Snartt CC (in the Chair)

Mr. G. A. Hart CC

Jennings

Mr. K. W. P. Lynch CC

Mr. S. D. Sheahan CC

Mr. R. J. Shepherd CC

35. Minutes.

The minutes of the meeting held on 24 November 2014 were taken as read, confirmed and signed.

36. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

37. 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).

38. Urgent Items

There were no urgent items for consideration.

39. 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 Shepherd CC declared a personal interest in item 6, 'External Audit – Annual Grant Certifications', as a member of the teachers' pension scheme. Mr Lynch CC declared a personal interest in item 6 as his wife was a member of that scheme, and Mr Jennings CC also declared a personal interest in this item as both he and his wife were members of the teachers' pension scheme.

40. External Audit of Annual Grant Certifications.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present the Annual Grants Certification Report 2013/14 for approval. A copy of the report, marked 'Agenda Item 6' is filed with these minutes.

The Chairman welcomed Matthew Elmer of PricewaterhouseCoopers (PwC), the County Council's external auditors, to the meeting.

RESOLVED:

That the Annual Grants Certification report 2013/14 be approved.

41. External Audit Plan 2014/15.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present the external Audit Plan 2014/15 for consideration. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

The Committee was advised that the Statement of Accounts were rounded to the nearest £100,000 and this was why it was recommended that the reporting limit for 'trivial' misstatements be set at that figure. Matthew Elmer advised the Committee that PwC would look into whether any misstatements were isolated or pervasive.

RESOLVED:

(a) That the update provided by PricewaterhouseCoopers be noted.

(b) That the reporting limit of £100,000 for 'trivial' misstatements be retained.

42. Treasury Management Strategy Statement and Annual Investment Strategy.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to enable a review of the Treasury Management Strategy Statement and Annual Investment Strategy for 2015/16. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

The Committee noted that, following comments by Members at the previous meeting regarding ethical investments, consideration had been given to amending the list of counterparties once the updated list was available in April 2015. The list would be circulated to Members when it was available. However, the County Council did not have a policy on ethical investments.

RESOLVED:

That the Treasury Management Strategy Statement and Annual Investment Strategy 2015/16 be noted.

43. Risk Management Update.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to provide an overview of key risk areas and the measures being taken to address them. The report also provided an update on related risk management matters and counter fraud initiatives. A copy of the report, marked 'Agenda Item 9' is filed with these minutes.

The Committee also received a presentation on risks around the ability to deliver savings and efficiencies through service redesign and transformation as required in the MTFS. A copy of the slides forming the presentation is filed with these minutes.

Presentation – Risk around ability to deliver savings and efficiencies through service redesign and transformation.

Arising from the presentation the following points were noted:

- (i) Decommissioning services was one of a number of options and would not be undertaken without understanding the impact on other Council services. Options would be analysed through the business case and a view taken on feasibility.
- (ii) In future there would be a greater emphasis on commissioning; however, commissioning would not always be the best option and therefore other options would still be considered. Where commissioning was identified as the best option the level of support and expertise would be strengthened.
- (iii) Concerns were raised regarding the realisation of benefits for the County Council and in particular the Supporting Leicestershire Families programme where savings being made were largely for the benefit of other agencies. The Committee was assured that the new Risks & Benefits Manager would consider each project to identify opportunities where more could be done to realise benefits.
- (iv) Risks associated with the Transformation Programme were being aligned with the Corporate Risk Register.

The Risk Register

Arising from discussion the following points were noted:

- (v) Risk No. 2 on the cost of sponsorship to the County Council arising from academy conversion did not include the risk regarding schools in Oadby going through age range changes. That would be a separate risk as it was likely to have an impact on the primary schools in the area which were still maintained by the County Council.
- (vi) Other authorities assessed risk appetite in the same way as Leicestershire County Council. A member of the Corporate Resources Department was a member of the Public Risk Management Association known as 'ALARM' which met regularly to compare approaches to risk across the sector.
- (vii) Concerns were noted regarding an inability to match-fund transport schemes put forward by the Leicester & Leicestershire Enterprise Partnership and a consequent threat to service delivery and improvement. These concerns would be taken forward by the Director of Corporate Resources.

RESOLVED:

- (a) That the current status of strategic risk, the addition of new risks facing the Council and the updated Corporate Risk Register be approved.
- (b) That the following be noted:

- (i) The content of the revised Risk Management Policy and Strategy;
 - (ii) The contents of the Risk Maturity Assessment Summary and the associated action plan;
 - (iii) The risk impact and likelihood scoring criteria and escalation trigger points;
 - (iv) The contents of the risk map incorporating the corporate risks (November 2014);
 - (v) The contents of the Protecting the Public Purse 2014 report.
 - (vi) The Council's requirements under the Local Government Transparency Code 2014.
- (c) That a presentation be provided at the next meeting of the Committee on the risks associated with the Care Act 2014.

44. Anti-Fraud and Corruption Framework.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present three new/updated policies and strategies that will form part of the Council's overall suite of counter fraud documents. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

Arising from discussion the following points were noted:

- (i) All the County Council's counter fraud documents had been updated except the cyber security policy. Members would be sent an email advising on progress with updating this.
- (ii) Whilst it was a responsibility of managers to make sure the policies were implemented and adhered to, explicit reminders were sent to all staff. The communications to Council staff included:
 - (i) the Managers Digest,
 - (ii) the E-Comms learning (mandatory for all staff)
 - (iii) Annual Governance work including stopping and asking staff
 - (iv) Internal Audit
- (iii) Action would be taken to ensure that those Council staff without regular access to Information Technology were made aware of the policies. This could be done through the Performance and Development Review process but further consideration would be given to the most appropriate method.
- (iv) Counter Fraud audits would take place to assess whether the policies were making a difference.

RESOLVED:

- (a) That the following policies be approved:

- (i) Anti-Fraud and Corruption Policy Statement and Strategy;

(ii) Anti-Bribery Policy Statement and Procedures;

(iii) Anti-Money Laundering Policy;

(b) That the Director of Corporate Resources be authorised to make any necessary minor amendments to the above policies.

45. Quarterly Treasury Management Update.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to provide an update on the actions taken in respect of treasury management in the quarter ended 31 December 2015. A copy of the report, marked 'Agenda Item 11', is filed with these minutes.

In response to a question, the Committee were informed that whilst the economic circumstances of other countries did not impact directly on the Authority's portfolio, officers did monitor relevant situations.

RESOLVED:

That the Quarterly Treasury Management update be noted.

46. Internal Audit Service Progress Report.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to summarise the Internal Audit Service work since the last report to the Committee, and provide an update on the investigation into the former Leader of the County Council, Mr David Parsons. A copy of the report, marked 'Agenda Item 11', is filed with these minutes.

RESOLVED:

That the update on the work of the Internal Audit Service be noted.

47. Regulation of Investigatory Powers Act 2000 (RIPA).

The Committee considered a report of the County Solicitor, the purpose of which was to advise on the Authority's use of the Regulation of Investigatory Powers Act 2000 (RIPA) for the period of 1 October to 31 December 2014, and to ask the Committee to receive annual reports on the use of RIPA, replacing the current reporting arrangements. A copy of the report, marked 'Agenda Item 12' is filed with these minutes.

RESOLVED:

(a) That the Authority's use of RIPA for the period of 1 October to 31 December 2014 be noted;

(b) That the current quarterly reporting structure be replaced with an annual report on the use of RIPA which will also include the annual review of the RIPA Policy Statement.

48. Date of next meeting.

The next meeting of the Committee would be held on Friday 12 June 2015.

10.00 - 11.15 am
20 February 2015

CHAIRMAN