



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 12 June 2015.

PRESENT

Mr. A. M. Kershaw CC (in the Chair)

Mr. G. A. Hart CC
Mr. D. Jennings CC
Mr. J. Kaufman CC

Mr. K. W. P. Lynch CC
Mr. S. D. Sheahan CC
Mr. R. J. Shepherd CC

49. Appointment of Chairman.

That Mr. A. M. Kershaw CC be elected Chairman for the period ending with the Annual Meeting of the County Council in May 2016.

Mr. Kershaw in the Chair

50. Election of Deputy Chairman.

That Mr R. J. Shepherd CC be appointed Deputy Chairman for the period ending with the date of the Annual Meeting of the County Council in 2016.

51. Minutes of the meeting held on 20 February 2015.

The minutes of the meeting held on 20 February 2015 were taken as read, confirmed and signed subject to amendment to minute no. 39 to make it clear that although the wife of Mr Jennings CC was a member of the teachers' pension scheme Mr Jennings himself was not.

52. Question Time.

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

53. Questions asked by members.

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

54. Urgent Items.

There were no urgent items for consideration.

55. Declarations of interest in respect of items on the agenda.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting. It was noted that all members who were also members of a Parish, Town or District Council had personal interests in items which related to those authorities.

Mr Kershaw CC declared a personal interest in item 9, 'Risk Management Update', as his wife was in receipt of self-funded care provided by Bradgate Home Care who were an approved Provider with Leicestershire County Council.

56. External Review of the MTFS.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present the findings from a review by the Council's external auditor on the Medium Term Financial Strategy (MTFS). A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed Matthew Elmer of PricewaterhouseCoopers (PwC) to the meeting.

Arising from discussion the following points were noted:

(i) Although the 'spending power' of the Council was due to rise by 1.6% in 2015/16, the Assistant Director – Strategic Finance and Property stated that with this additional money came extra responsibilities and outgoings. For example a proportion of the Better Care Fund would go to the National Health Service and therefore not be available to the Council's budget. Therefore the Council would not be better off financially.

(ii) With regard to the concerns raised at page 5 of the report on the subject of corporate memory, members were advised that the key to ensuring corporate memory was retained was managing the loss of posts in a planned manner and being aware of savings required well in advance. One of the reasons why the Council did not offer voluntary redundancies was so that careful decisions could be made about which posts would be lost.

(iii) A full report on Earmarked Reserves would be going before the Scrutiny Commission in the Autumn.

RESOLVED:

That the report of the County Council's external auditors, PricewaterhouseCoopers, on the Medium Term Financial Strategy 2015/16 – 2018/19 be noted.

57. 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. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

The Committee also received a presentation on the risks associated with The Care Act 2014. A copy of the slides forming the presentation is filed with these minutes.

Presentation – Risks around The Care Act 2014.

Arising from the presentation it was noted that whilst some additional funding was being provided by central government, the Corporate Resources Department were of the view that this money was not going to be sufficient to fund all the extra responsibilities required under the Act. This was the greatest risk facing the Council at this time.

The Risk Register

Clarification was provided in connection with the date the government had set by which a Community Infrastructure Levy (CIL) ought to be introduced. It was confirmed that the Government had effectively given local planning authorities (i.e district/borough councils) 5 years from April 2010 to get CIL Charging Schedules in place. The Committee was informed that a planning obligation may not constitute a reason for granting planning permission if 5 or more similar Section 106 agreements providing funding for a particular project or type of infrastructure had been concluded in the period since April 2010. The consequence of this might be that if the planning obligation was necessary to make the development acceptable in planning terms but there were already 5 or more section 106 agreements for that particular site then the application may have to be refused.

RESOLVED:

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

(b) That a presentation be provided at the next meeting of the Committee on the risks associated with the County Council's work regarding Child Sexual Exploitation in Leicestershire.

58. Annual Treasury Management Report 2014/15.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to report on the action taken and the performance achieved in respect of the treasury management activities of the Council in 2014/15. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

RESOLVED:

That the Annual Treasury Management Report 2014/15 be noted.

59. Quarterly Treasury Management Report

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 31st March 2015. A copy of the report marked 'Agenda Item 11', is filed with these minutes.

RESOLVED:

That the Quarterly Treasury Management Report be noted.

60. Draft Annual Governance Statement 2014/15.

The Committee considered a joint report of the Director of Corporate Resources and the Chief Executive outlining the background and approach taken to produce the County Council's 2014/15 Annual Governance Statement (AGS), and presenting the draft AGS for comment prior to sign off by the Chief Executive and Leader of the Council. A copy of the report marked 'Agenda Item 12' is filed with these minutes.

RESOLVED:

- (a) That the draft 2014/15 Annual Governance Statement be approved;
- (b) That it be noted that the Statement may be subject to change as required by the Code of Practice in Local Authority Accounting, as detailed in paragraph 15 of the report, and that such changes will be notified to members of the Committee;
- (c) That the proposed actions and improvement areas detailed in section 6 of the Statement be confirmed.

61. Internal Audit Service Quarterly Progress Report.

The Committee considered a report of the Director of Corporate Resources which summarised the work of Leicestershire County Council's Internal Audit Service (LCCIAS) finalised since the last report to the Committee and highlighted audits where high importance recommendations had been made to managers. The report also provided information on a concluded special investigation. A copy of the report, marked 'Agenda Item 13' is filed with these minutes.

With regard to the investigation into the theft of lunch club income the Committee noted that the Council had a zero tolerance policy on criminal matters and this was why the Police had been informed. It was acknowledged that there had been internal control failures and the Head of Internal Audit Service said it was important to retain a focus on routine processes and controls especially during a time of structure changes.

RESOLVED:

That the Internal Audit Service Progress Report be noted.

62. Internal Audit Annual Report 2014/15.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to provide an annual report on work conducted by the Internal Audit Service. A copy of the report marked 'Agenda Item 14' is filed with these minutes.

RESOLVED:

- (a) That the Internal Audit Service Annual Members' Report for 2014/15 be noted;
- (b) That it be noted that reference to actions needed to facilitate full conformance to the Public Sector Internal Audit Standards (PSIAS) is contained in the Annual Governance Statement for 2014-15;

63. Internal Audit Service Audit Plan 2015-16

The Committee considered a report of the Director of Corporate Resources the purpose of which was to provide members with information about the contents of the Internal Audit Service Audit Plan 2015-16 for the County Council and audit resource allocated to other organisations.

RESOLVED:

That the Internal Audit Plan for 2015-16 be noted.

64. Date of next meeting.

RESOLVED:

That the next meeting of the Committee be held on 25 September 2015 at 10:00am.

10.00 - 11.45 am
12 June 2015

CHAIRMAN

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