



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 19 February 2016.

PRESENT

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

Mr. G. A. Boulter CC
Mr. P. G. Lewis CC
Mr. K. W. P. Lynch CC

Mr. T. J. Richardson CC
Mr. S. D. Sheahan CC
Mr. R. J. Shepherd CC

92. Minutes of the previous meeting.

The minutes of the meeting held on 17 November 2015 were taken as read, confirmed and signed.

93. Question Time.

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

94. Questions asked by members.

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

95. Urgent items.

There were no urgent items for consideration.

96. 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. It was noted that all members of a Parish, Town or District Council had personal interests in items which related to those authorities.

Mr Richardson CC declared a personal interest in item 7: Treasury Management Strategy Statement and Annual Investment Strategy 2016/17, and in item 8: Quarterly Treasury Management Update, as he was in receipt of a pension from Lloyds Bank.

97. External Audit Plan 2015/16.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present the External Audit Plan 2015/16 for consideration. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Chairman welcomed John Cornett and Daniel Hayward of KPMG, the County Council's external auditors, to the meeting.

In response to a question it was confirmed that KPMG carried out benchmarking assessments of the County Council against other similar authorities.

RESOLVED:

- (a). That the update provided by KPMG be noted;
- (b). That the reporting limit of £100,000 for 'trivial' misstatements be retained.

98. Treasury Management Strategy Statement and Annual Investment Strategy 2016/17.

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 2016/17. A copy of the report, marked 'Agenda Item 7', is filed with these minutes.

Arising from discussions the following points were noted:

- (i) The Treasury Management Strategy Statement and Annual Investment Strategy 2016/17 were considered by the Council at its meeting on 17 February 2016 and no amendments had been made. The Corporate Governance Committee had the opportunity to amend both strategies via the use of delegated powers available to the Director of Corporate Resources.
- (ii) In response to a question regarding the Local Authority Mortgage Scheme (LAMS) the Director of Corporate Resources agreed to provide further information to Members after the meeting.
- (iii) The Minimum Revenue Provision for 2016/17 was £11.3m and an additional voluntary contribution of £4.5m was planned. Although it was possible to reallocate this additional contribution, to do so would result in higher borrowing costs for the following year. The agreed strategy was to reduce debt and its costs to the revenue budget. However, it was unlikely that these additional payments would be made in future years.

RESOLVED:

That the Treasury Management Strategy Statement and Annual Investment Strategy 2016/17 be noted.

99. Quarterly Treasury Management Update.

The Committee considered a report of the Director of Corporate Resources, which provided 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 8', is filed with these minutes.

Members emphasised the importance of receiving timely answers to questions raised at Committee meetings and considered whether there should be a set time limit within which officers had to provide a response. It was confirmed that responses should be

provided to Members as soon after the meeting as was possible and that where a delay in responding was anticipated, Members would be advised of this.

RESOLVED:

That the contents of the report be noted.

100. Risk Management Update.

The Committee considered a report of the Director of Corporate Resources which provided 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 such as the cost arising from uninsured claims, 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 Business Intelligence with regard to Risk 3.3 on the Register. A copy of the slides forming the presentation is filed with these minutes.

Presentation

Arising from the presentation the following points were noted:

- (i) Although data received in the past had been of good quality the Business Intelligence Service aimed to provide a more complete set of data in the future and present it to senior managers in a more efficient way. One area where improvements would be made was with closer working with commissioners.
- (ii) The Business Intelligence Service aimed to be as objective as possible when deciding what information was provided when decisions were required to be taken. The accuracy of data was evaluated by skilled analysts and the data would not be interpreted in isolation.
- (iii) Pilot Projects were underway and these would enable the Business Intelligence Service to establish timescales for implementation of the Data and Business Intelligence Strategy.
- (iv) Consideration would be given to where Members could benefit more from Business Intelligence, for example by creating a Business Intelligence Portal which Members could use to access information. However, it was noted that there could be issues with the cost of licences for Members.
- (v) In response to a question from Members regarding the efficiency of the Governance structure, it was clarified that the Data and Business Intelligence Board had high level oversight whereas the Data and Business Intelligence Enabler Leadership Group carried out project management and only met when necessary.
- (vi) It had been necessary to appoint a Consultant on a short term contract who had expertise in data warehousing as these skills were not available in the County Council workforce and it was critical to the success of the project that the appropriate technical solution was found.

Risk Register

Arising from discussions the following points were noted:

- (i) The Committee was content with the way the direction of risk was depicted in the report by use of arrows. It was confirmed that it was the Risk owners in the individual departments that made the prediction on the direction the risk was expected to travel but that these predictions were scrutinised by the Head of Internal Audit Service each quarter.
- (ii) In response to a question regarding the County Council's insurance company and the two previous companies which had gone into administration, the Director of Corporate Resources stated that the level of excess now paid had increased substantially over the previous 25 years. It was confirmed that the excesses were not bonded; they were paid out of the general insurance reserve.
- (iii) The Better Care Fund was not ring-fenced however it was a pooled budget and the use of the funding would have to be agreed with the partners including the Clinical Commissioning Groups.
- (iv) Two minor amendments had been made to the County Council's Risk Management Policy and it had been approved at the full Council meeting on 17 February 2016. The Director of Corporate Resources could make amendments to the Policy under delegated powers therefore the Corporate Governance Committee was invited to make any comments on the Policy.
- (v) In response to a question regarding Individual Voluntary Arrangements (IVAs) it was confirmed that as part of bankruptcy proceedings the County Council would enter into agreements with creditors to enable them to pay their debt in instalments.

RESOLVED:

(a) That the current status of the strategic 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 results of the 2015/16 Fraud Risk Assessment;
- (iii) The explanation of how the risk of significant cost arising from uninsured claims has arisen;
- (iv) The results of the Counter Fraud Assessment Tool and that the County Council is judged to be meeting the standard set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption;
- (v) development of a Loss Recovery Strategy and its inclusion as an appendix to the published Anti-Fraud & Corruption Strategy;
- (vi) other counter fraud initiatives that have taken place during the last quarter.

(c) That a presentation be provided at the next meeting of the Committee on the risks around the significant pressures on the children's social care placement budget which funds the care of vulnerable children.

101. Internal Audit Service Progress Report.

The Committee considered a report of the Director of Corporate Resources, which summarised the work of the Internal Audit Service since the last report to the Committee, and reported where high importance recommendations had been made. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

RESOLVED:

That the contents of the report be noted.

102. Date of next meeting.

RESOLVED:

That the next meeting of the Committee be held on 13 May 2016 at 10:00am.

10.00 - 11.55 am
19 February 2016

CHAIRMAN

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