



Minutes of a meeting of the Corporate Governance Committee held at County Hall, Glenfield on Friday, 10 May 2019.

PRESENT

Mr. T. J. Richardson CC (in the Chair)

Mr. T. Barkley CC

Mr. G. A. Boulter CC

Mr. T. Gillard CC

Mr. D. Jennings CC

Mr. J. Kaufman CC

Mr. J. T. Orson JP CC

Mr. S. D. Sheahan CC

1. Minutes of the previous meeting.

The minutes of the meeting held on 29 March 2019 were taken as read, confirmed and signed.

2. Question Time.

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

3. 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).

4. Urgent Items.

There were no urgent items for consideration.

5. 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 items 14 and 15 - Annual Treasury Management Report 2018/19 and Quarterly Treasury Management Update respectively - as he was in receipt of a pension from Lloyds Bank Plc.

6. Informing the External Audit Risk Assessment.

The Committee considered a report of the Director of Corporate Resources which set out the County Council's response to its external auditors (Grant Thornton UK LLP) Risk Assessment for 2018/19 for consideration and comment. A copy of the report, marked 'Agenda Item 6', is filed with these minutes.

The Chairman welcomed Mr. John Gregory of Grant Thornton UK LLP to the meeting.

Members noted that having considered the County Council's responses to the risk assessment, Grant Thornton had confirmed it was content with the arrangements the Council had in place and the assurances provided by officers.

In response to questions raised, Mr Gregory confirmed that the external auditor's risk assessment of 'related party transactions' did not include an assessment of the Council's general contract performance monitoring arrangements. This fell outside the scope of this particular exercise.

RESOLVED:

That the contents of the report by Grant Thornton (the Council's external auditors), 'Informing the audit risk assessment for Leicestershire County Council 2018/19', be noted and the responses provided by officers to the questions raised by the external auditors, as set out in their report, be supported without amendment.

7. Risk Management Report.

Members considered a report of the Director of Corporate Resources, the purpose of which was to provide an overview of key risk areas and the measure being taken to address them. The report also provided an update on the Risk Maturity Health Check and Counter Fraud. A copy of the report, marked 'Agenda Item 7', is filed with these Minutes.

As part of this item, members also received a presentation on Corporate risk 10.1 (the risk that not developing an inclusive culture across all schools, education providers and partner agencies (including the Parent Carer Forum) will impact on parental confidence in the ability of the 'whole system' to meet the needs of the large majority of children with Special Educational Needs and Disabilities (SEND) in a mainstream school context). A copy of the presentation slides is filed with these minutes.

Arising from discussion, the following points arose –

Risk Presentation

- i. Members welcomed the tremendous work being undertaken and agreed that effective early SEND Support would be critical to prevent greater issues arising for a child as they progressed through school and approached adulthood.
- ii. Most children with SEND were well supported within mainstream schools without the need for an Education, Health and Care Plan.
- iii. Often children with SEND faced issues at school and families could also face issues at home. A whole family approach was therefore necessary to coordinate support from health, education and social care.
- iv. Improving the information provided to parents was important to ensure they could have confidence in the system and understand the role of the County Council and how this was independent of the responsibilities of individual schools.
- v. Greater involvement with parent carers through the Parent Carer Forum would inform future conversations about the design of Council policy and the services it and its partners provided to children with SEND.

Risk Register

- vi. The preliminary hearing scheduled for 23 May had been put back by the Independent Inquiry into Child Sexual Abuse (IICSA) and would now take place on 24 September (risk 5.1). The three weeks set aside for the full hearing in February 2020 remained unchanged.
- vii. Members agreed that, given the information now presented in the report and Appendix A, the full Risk Register no longer needed to be circulated for every meeting. However, it was suggested that this be circulated at least once a year and otherwise made available to Members upon request.
- viii. Members requested that a presentation be provided at its next meeting on corporate risk 1.7 (If the Council is not compliant with the HRMC IR35 regulations regarding the employment of self-employed personnel then there is a risk of large financial penalties).
- ix. Members welcomed the additional challenge proposed for risks listed on the register and the introduction of Action Plans to move risks towards their target scores, as well enable better performance monitoring.

RESOLVED:

- (a) That the current status of the strategic risks facing the County Council be approved;
 - (b) That the content of the presentation provided on corporate risk 10.1 (The risk of not developing an inclusive culture across all schools, education providers and partner agencies (including the Parent Carer Forum) that will meet the needs of the large majority of children with Special Educational Needs and Disabilities in a mainstream school context) be noted and the good work taking place in this area be supported;
 - (c) That at the next meeting of the Committee a presentation be provided on corporate risk 1.7 (If the Council is not compliant with the HRMC IR35 regulations regarding the employment of self-employed personnel then there is a risk of large financial penalties);
 - (d) That in future, a copy of the full Corporate Risk Register be circulated to the Committee for information and comment on an annual basis and otherwise be made available to members on request;
 - (e) That the proposal set out in paragraph 7 of the report, to further challenge risks on the Corporate Risk Register in an attempt to move risks to their target score and potentially reduce the number reported on the Register, be supported;
 - (f) That the final report provided by Risk Management Partners attached as Appendix C to the report be noted, and it be further noted that a more detailed update will be provided at the next meeting of the Committee;
 - (g) That the update on counter fraud initiatives be noted.
8. Annual Governance Statement 2019/20.

The Committee considered a report of the Director of Corporate Resources, the purpose of which was to present the County Council's draft Annual Governance Statement for

2018/19 for consideration. A copy of the report, marked 'Agenda Item 8', is filed with these minutes.

Members noted that no significant issues had arisen during the 2018/19 financial year and that the Statement would be reviewed by the Council's external auditors, Grant Thornton UK LLP, as part of its consideration of the Council's Statement of Accounts, before being finalised and signed by the Chief Executive and the Leader in late July.

RESOLVED:

- (a) That the draft Annual Governance Statement for 2018/19 attached as an Appendix to the report be noted and supported without amendment;
- (b) That it be noted that the Annual Governance Statement for 2018/19, which might 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.

9. Regulation of Investigatory Powers Act 2000 - Annual review of Policy Statement.

Members considered a report by the Director of Law and Governance, the purpose of which was to advise the Committee of changes in legislation relating to the acquisition of communications data by local authorities which had resulted in changes having to be made to the Councils Covert Surveillance and the Acquisition of Communications Data Policy Statement. A copy of the report, marked 'Agenda Item 9', is filed with these minutes.

In response to questions raised, the Director confirmed that the IPCO (Investigatory Powers Commissioner's Office) had been established to ensure that those with appropriate expertise had oversight of all future data communication requests. This was a very technical area and as such responsibility had transferred to this specialist regulatory agency. The Director confirmed that the IPCO was led by Lord Justice Sir Adrian Fulford who was supported by a team of people with appropriate technical, legal and scientific expertise. The Director undertook to provide further information regarding the composition of the IPCO and those it appointed.

RESOLVED:

- (a) That the changes introduced by the Data Retention and Acquisition Regulations (SI 2018/1123) be noted;
- (b) That the Cabinet at its meeting on 24 May be recommended to approve the revised Policy Statement on the use of RIPA and IPA powers.

10. Ethical Standards in Local Government.

Members considered a report of the Director of Law and Governance regarding the findings of the Committee on Standards in Public Life (the Committee) following its review of local government ethical standards. A copy of the report, marked 'Agenda Item 10', is filed with these minutes.

The Director advised that the Government's response to the Committee's recommendations was expected in the summer and a detailed review of the Council's

processes and procedures would be undertaken at that time. Members noted that the recommendations could not be implemented without a change in legislation.

Whilst the best practice recommendations could be implemented immediately, the Director explained that these too would be considered as part of the overall review planned for later in the year. Members' views were being sought to allow these to be taken into account as part of that process.

Regarding the best practice recommendations (BPR), members made the following comments -

- Councillors should be required under the Code of Conduct to comply with any formal investigation process (BPR 2)
- The Council's Code should be reviewed as and when necessary but otherwise once every term of the Council (BPR 3)
- Members should update their gifts and hospitality register at least once per quarter (BPR 5)
- The Council's existing Criteria remained fit for purpose (BPR 6)
- A specific web page should be created dedicated to Member conduct matters and decisions regarding an allegation of misconduct published here to ensure these were easily accessible to the public (BPR 9)
- The Council's current process for handling complaints should be amended to include broad indicative timescales (BPR 10)
- Meetings should be held with both political group leaders and group whips to discuss standards related matters, but these should be held only as and when considered necessary (BPR 15)

RESOLVED:

- (a) That the recommendations and best practice recommendations made by the Committee on Standards in Public Life be noted, together with the comparisons made against the Council's current arrangements as set out in the appendix to the report;
- (b) That it be noted that the Government's response to the report of the Committee on Standards in Public Life, including any changes to legislation, was awaited;
- (c) That it be noted that, on receipt of the Government's response, a detailed review of the Council's Members' Code of Conduct and current arrangements for dealing with Member Conduct complaints, would be undertaken and feedback now provided by the Committee would be considered as part of that exercise.

11. Internal Audit Service Progress Report.

The Committee considered a report of the Director of Corporate Resources which summarised the work of the County Council's Internal Audit Service during the period 5 January to 26 April 2019, highlighted audits where high importance recommendations had been made and provided a brief update on the resources of the Service. A copy of the report, marked 'Agenda Item 11', is filed with these minutes.

The Director confirmed that sufficient resources were in place to meet the needs of the Service. However, the structure review was being undertaken to ensure the Service remained flexible, responsive and equipped to meet the future needs of the Authority.

RESOLVED:

That the update now provided and the internal audit work conducted during the period 5 January to 25 April 2019, together with progress made on the implementation of high importance recommendations, be noted.

12. Internal Audit Service Annual Report 2018/19.

Members considered a report by the Director of Corporate Resources, the purpose of which was to present the annual report on work carried out by the Internal Audit Service during 2018/19. A copy of the report, marked 'Agenda Item 12', is filed with these minutes.

RESOLVED:

- (a) That the annual report on work conducted by the Internal Audit Service during 2018/19 be noted;
- (b) That a copy of the annual report be distributed to all members of the Council.

13. Internal Audit Annual Plan 2019/20.

Members considered a report of the Director of Corporate Resources, the purpose of which was to present the County Council's outline Internal Audit Plan for 2019-20. The report also set out the internal audit resources allocated to the other assurance functions and in providing services to other organisations. A copy of the report, marked 'Agenda Item 13', is filed with these minutes.

The Director confirmed that a further report would be provided at an appropriate time on any governance changes that might be required following the National Audit Office report on 'Local Authority Governance'.

In response to questions raised, the Director confirmed that the Plan for 2019-20 included audits of arrangements for s106 developer contribution agreements and Personal Budgets.

RESOLVED:

That the Internal Audit Plan for 2019/20 be noted.

14. Annual Treasury Management Report 2018/19.

Members considered a report of the Director of Corporate Resources, the purpose of which was to advise the Committee of actions taken and the performance achieved in respect of the treasury management activities of the Council during 2018/19. A copy of the report, marked 'Agenda Item 14', is filed with these minutes.

RESOLVED:

That the action taken and the performance achieved in respect of the treasury management activities of the Council during 2018/19 be noted.

15. Quarterly Treasury Management Update.

The Committee considered a report of the Director of Corporate Resources which set out the actions taken in respect of treasury management for the quarter ending 31 March 2019. A copy of the report, marked 'Agenda Item 15', is filed with these minutes.

Members noted that when making investment decisions the return on investment for approved counterparties should be the key priority when making those decisions. However, informally the Council also had regard for wider considerations that could affect the reputation of the Authority when investing with certain organisations

RESOLVED:

That the actions taken in respect of treasury management for the quarter ending 31 March 2019 be noted.

16. Date of next meeting.

RESOLVED:

That the next meeting of the Committee be held on Friday, 26th July 2019 starting at 10.00am.

10.00 - 11.43 am
10 May 2019

CHAIRMAN

This page is intentionally left blank