

# Minutes

<b>Meeting name</b>	<b>Governance Committee</b>
<b>Date</b>	<b>Tuesday, 12 June 2018</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH</b>

## Present:

**Chair** Councillor P. Cumbers (Chair)

**Councillors** J. Simpson (Vice-Chair) T. Bains  
M. Blase J. Douglas  
P. Faulkner M. Glancy  
J. Illingworth P. Posnett

**Observers** Councillor T. Greenow  
Councillor A. Freer-Jones

**Officers** Deputy Chief Executive  
Director for Legal and Democratic Services  
Director for Corporate Services  
Head of Internal Audit  
Administrative Assistant Elections & Member Support

Minute No.	Minute
G73	<p><b>Apologies for Absence</b> There were no apologies for absence. Councillor Beaken was not present.</p>
G74	<p><b>Minutes</b> The minutes of the meeting held on 27 March 2018 were confirmed an authorised to be signed by the Chair.</p> <p>The minutes of the meeting held on 30 April 2018 were confirmed an authorised to be signed by the Chair.</p>
G75	<p><b>Declarations of Interest</b> Councillor Posnett declared a personal interest in any matters relating to the County Council, due to her role as a County Councillor.</p>
G76	<p><b>Internal Audit Annual Report 2017/18</b> The Head of Internal Audit</p> <ul style="list-style-type: none"> <li>(a) submitted a report (copies of which had previously been circulated to Members) the purpose of which was to update Members on progress made in delivering the 2017/18 Annual Audit Plan and key findings arising from audit assignments completed;</li> <li>(b) highlighted the opinion statement within Appendix A of the report. Based on the work undertaken by Internal Audit during 2017/18, the overall opinion on this Council's control environment was that of Satisfactory Assurance. This reflected that there were no significant control weaknesses identified during the year and where weaknesses had been identified, these were subject to action plans. The remainder of Appendix A set out the basis for this opinion;</li> <li>(c) advised that Appendix 1 (within Appendix A) included a summary of all audit assignments, the scope and findings. The majority of these had been presented to this Committee during the financial year;</li> <li>(d) confirmed an improved position from the last progress report, with 75% of actions during the year marked as implemented;</li> <li>(e) advised that also within the report was a review of the performance of the Internal Audit service and the value added by the service to this Council in 2017/18. All Key Performance Indicators had been met or exceeded, including 100% delivery of the plan.</li> </ul> <p>The Chair asked the Head of Internal Audit to elaborate on the overdue recommendations dating back to 2016 (as detailed on page 30 of Appendix A). The Head of Internal Audit advised that the overdue recommendations related to</p>

three 2016/17 audits and the majority related to the development of policies and procedures. The work on the staff appraisal process, as an example had been put on hold pending the wider Workforce Strategy. All actions would hopefully progress towards completion soon.

The Chair reminded Members that copies of each audit report were available from Internal Audit, upon request.

There being no further comments or questions, it was

**RESOLVED** that the report and Assurance Opinion for 2017/18 be received and noted.

G77

**Internal Audit Charter and Strategy**

The Head of Internal Audit

- (a) submitted a report (copies of which had previously been circulated to Members) providing the Committee with a copy of the Internal Audit Charter and Strategy for review and approval;
- (b) stated that this was a document presented to the Committee on an annual basis, which set out the approach to delivery of the Internal Audit service. There were no significant changes proposed, except to revert back to the previous classification of audit recommendations (High, Medium and Low) from Essential, Important, and Standard. This was based on feedback received from officers and Members across the Partnership highlighting that the previous classifications were more meaningful and assisted in distinguishing the key actions for prioritisation.

It was noted that the recommendation at paragraph 2.1 of the report should include the words 'and Strategy' at the end of the sentence.

There being no further comments or questions from Members, it was

**RESOLVED** that the Internal Audit Charter and Strategy be approved.

G78

**Fraud Update**

The Head of Internal Audit

- (a) submitted a report (copies of which had previously been circulated to Members) updating the Committee on the implementation and latest status of the Counter Fraud Action Plan and reporting on any frauds alleged and investigated during 2017/18;
- (b) advised that this was the regular annual report on frauds alleged and investigated. However, also included was a Counter Fraud Action Plan at Appendix A of the report, as recommended by Internal Audit in September 2017. This Action Plan should ensure that the counter fraud arrangements

were consistently monitored and strengthened, in line with latest trends and developments and that best practice was adopted wherever possible. It incorporated all areas for possible improvement, as identified in the assessment against CIPFA Code of Practice and any other areas already identified by management and/or Internal Audit;

(c) stated that the majority of actions from the last update had been completed. One new action had been proposed for delivery during the new financial year and further actions would be considered in the next few months. Progress against this Plan would be monitored by Internal Audit on a quarterly basis;

(d) highlighted the Fraud Log at Appendix B of the report, which records all suspected frauds reported to Internal Audit (and notes the action taken and outcomes). Of the two items recorded, one dating back to 2016/17 was a case reported on over the last twelve months and had been included within the Fraud Log to ensure the Committee had received all relevant details on the outcome achieved.

(e) confirmed that during 2017/18, Internal Audit had delivered pro-active staff briefings on the Whistleblowing Policy and ethical guidance. Daily emails were also sent during International Fraud Awareness Week to promote awareness of fraud risks and to give examples of real life key counter fraud controls and scenarios.

The Chair highlighted that information received from any source, concerning alleged fraud was considered 'whistleblowing'. This Council continued to encourage whistleblowing and assured anonymity etc of the whistleblower.

There being no further comments or questions from Members, it was

**RESOLVED** that the status of the Counter Fraud Action Plan and the Fraud Log for 2017/18 be noted

G79

**Risk Management Annual Report**

The Director for Corporate Services

(a) submitted a report (copies of which had previously been circulated to Members), updating the Committee on the management of risk within this Council during 2017/18 and presenting an updated Risk Management Policy and Strategy for Members' approval;

(b) noted that Members had undertaken Risk Management Training prior to the start of this meeting and that the training had been well attended;

(c) advised that the previous Risk Management Policy and Strategy (implemented in 2015) covered the period to 2018 and was due to be reviewed. In addition, the number of changes, which had taken place and

continued within this Council, meant a review of the Policy and associated procedures was timely. The updated Risk Management Policy and Strategy was at Appendix A of the report. Minimal changes had been made, as robust processes were already in place. The key changes involved titles and responsibilities to reflect changes to the officer structure and the previous three stage process had become a four stage process in recognition of the important step of monitoring risks;

- (d) confirmed that in addition to updating the Strategy, both the Corporate Risk Register and Service Risk Register templates had been updated and streamlined. The Strategic Risk Register was at Appendix B of the report and showed there were currently eight risks being monitored. Paragraph 3.5 of the report was highlighted for the purposes of comparing these eight risks to the previous four risks, which were reported to this Committee in September 2017.

A Member queried if the Risk Matrix at paragraph 5.1 of the updated Policy and Strategy had changed since Risk Management was last reported to this Committee in September 2017. The Director for Corporate Services advised that the Matrix before Members was the same as was covered in the earlier training session. She confirmed that the template would be addressed for each Committee representation.

The Chair highlighted 'Our Four Step Approach to Risk Management', within the Policy and Strategy, noting that the word 'risk' had been omitted from the end of the sentence at the final bullet point of Step 4 – Monitoring Risks. The Director for Corporate Services confirmed that this would be corrected.

The Chair added their thanks that the Risk Register had been printed in a larger format, for ease of reference. They also highlighted that this Council's website was available to be viewed in larger format, either by use of the zooming in function or by accessing the colour, font and size settings on the website.

There being no further comments or questions from Members, it was

**RESOLVED** that the

- (1) updated Risk Management Policy and Strategy be approved.
- (2) Updated Corporate Risk Register and associated Risk Management Action Plan be approved.

G80

**Code of Conduct Update**  
The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members), updating the Committee on the latest position with regard to standards matters, including the Code of Conduct, the Registration of

Disclosable Pecuniary Interests and Other Interests and any complaints against Councillors dealt with under this Council's process;

- (b) advised that this was the regular report. There were currently two complaints in progress. Attempts to informally resolve one of these had been exhausted and the next stage (fact finding) of the process was beginning. The other complaint had been considered by Governance Sub Committee 1 and elements of the complaint had been referred for investigation. These would be considered by Governance Sub Committee 2 in due course.

There being no comments or questions from Members, it was

**RESOLVED** that the update on the position of standards matters, including Parishes' Registration of Disclosable Pecuniary Interests and Other Interests and complaints against Councillors dealt with under the provisions of the Localism Act be noted

G81

**Constitution Update**

The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members), requesting that the Committee consider constitutional items and those approved would be referred to the Council for adoption and incorporation into this Council's Constitution;
- (b) advised that this was the regular report on constitutional items, recommending that Members note items (a) – (d) and refer these on to Full Council and also that Members note the Monitoring Officer's delegated authority;
- (c) highlighted that item (b) Appointment of Monitoring Officer identified the Director for Legal and Democratic Services as Monitoring Officer from 25 June 2018.

It was noted that this was the final meeting at which the Deputy Chief Executive would act as Monitoring Officer and the Chair thanked him for his work. The good work undertaken by the Senior Democracy Officer was also noted.

A Member queried when the Constitution updates would be available on this Council's website and in hard copy. The Monitoring Officer confirmed that the website had already been updated and hard copies were being printed and would be sent to Members shortly.

There being no further comments or questions from Members, it was

**RESOLVED** that

(1) In accordance with recommendation 2.2, the following items (a) - (d) be noted and referred to Full Council:-

(a) Director for Legal and Democratic Services

Following approval of the Senior Management Structure at Full Council on 12 December 2017, which included that a Director for Legal and Democratic Services be appointed, the Monitoring Officer has exercised his delegation to update all delegations and references in all relevant parts of the Constitution to reflect that this appointment replaces the Solicitor to the Council with effect from 11 June 2018.

(b) Appointment of Monitoring Officer

Following approval of the appointment of the Monitoring Officer to Adele Wylie by Full Council on 25 April 2018, the Monitoring Officer has exercised his delegation to transfer all delegations and references in all relevant parts of the Constitution to Adele Wylie, the Director for Legal and Democratic Services with effect from 25 June 2018.

(c) Part 6 – Member Allowances Scheme

The Members' Allowances Scheme for 2018/19, which was approved at Full Council on 7 February 2018, is now in place and following the recent National Joint Council Pay Award of 2.0%, the Monitoring Officer has exercised his delegated authority to update all allowances accordingly with effect from 1 April 2018, as set out at Appendix A. The scheme has also been updated to take account of the changes to the Council's Committee Structure, approved at the Extraordinary Meeting of the Council held on 8 May 2018.

(d) Counter Fraud and Ethical Governance Arrangements – Internal Audit Report

The Monitoring Officer has exercised his delegation to include the following two references in the Whistleblowing Policy at Part 10 and the Officers' Code of Conduct at Part 5 respectively of the Constitution :-

- (i) The Whistleblowing Policy should refer to the Employee Assistance service, which would be available to support whistleblowers and advise that ongoing confidential support from the Monitoring Officer/Head of Internal Audit would be available throughout what could be a stressful time.

and

- (ii) To review the Officer Code of Conduct and include reference to compliance with:

- Financial Procedure Rules
- Contract Procedure Rules
- Counter Fraud and Anti-Bribery policies

Also, to include a requirement to notify the Council of criminal convictions or charges received.

(2) The Monitoring Officer's delegated authority to make amendments following legislative or other statutory changes and minor procedural and operational changes be noted. Such changes will be reported to the Governance Committee and subsequently the Council, as soon as practicable thereafter.

G82	<p><b>Urgent Business</b> There was no urgent business.</p>
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The meeting closed at: 7.00 pm

Chair