

# Minutes

<b>Meeting name</b>	<b>Governance Committee</b>
<b>Date</b>	<b>Tuesday, 5 February 2019</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) J. Douglas  
P. Faulkner M. Glancy  
J. Illingworth P. Posnett  
J. Wyatt

## **Observers**

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

Minute No.	Minute
G112	<p><b>Apologies for Absence</b> There were no apologies for absence received. Councillor Bains was not present.</p>
G113	<p><b>Minutes</b> The minutes of the meeting held on 20 November 2018 were confirmed and authorised to be signed by the Chair, subject to an amendment at minute G107 to read ‘...no inspection of their accounts was required or undertaken.’</p>
G114	<p><b>Declarations of Interest</b> There were no declarations of interest.</p>
G115	<p><b>Certification of Claims and Returns Annual Report 2017/2018</b> Ernst Young, the External Auditor</p> <ul style="list-style-type: none"> <li>(a) presented a report (copies of which had previously been circulated to Members), which summarised the results of grant certification work undertaken for the financial year 2017/18;</li> <li>(b) advised that a summary of the certification work, performed in November 2018 was detailed at page 4 of the report. The work resulted in an amended claim form and a qualification letter. The reasons and rational behind that qualification letter and the amendments were detailed at pages 4 and 5 of the report;</li> <li>(c) highlighted that External Audit continued to raise the recommendation (first raised in 2016/17), concerning training support and specific in year review of claims. Senior Leadership Team had acknowledged this. There had been some ongoing training throughout the period and this was reflected at page 14 of the report;</li> <li>(d) advised that the work performed on a separate claim form, which concerned pooling of housing capital receipts was briefly detailed at page 8 of the report. There were no matters to highlight in relation to this;</li> <li>(e) confirmed that External Audit’s fees for the year, as detailed at page 10 of the report, were in line with the Audit Plan fee;</li> <li>(f) highlighted the requirement placed on the Council to appoint its own reporting accountant for the 2018/19 compliance review, as detailed at page 12 of the report and confirmed that Ernst Young were pleased to be appointed.</li> </ul> <p>A Member referred to the 40+ extended testing, as detailed at pages 4, 5 and 6 of the report, asking how these results compared to other authorities and the External</p>

Auditor's client base.

The External Auditor advised that it was not uncommon for a council to receive a qualification letter or for a number of issues to be highlighted because External Audit did not work to a materiality level and had to report every finding. Concerning other clients, there were slightly more issues reported here than at other authorities but it was not greatly dissimilar.

Another Member commented that they were pleased to note that staff training had taken place and queried if this was ongoing. The Director for Corporate Services advised that she had been assured that the training was ongoing. However, it would also be useful for the Council to undertake quality assurance in year, in order to identify issues for correction, rather than waiting for audit reports to highlight such issues.

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

**RESOLVED** that the report be noted.

G116

**Performance Monitoring Report (Internal Audit Update)**

The Head of Internal Audit

- (a) submitted a report (copies of which had previously been circulated to Members), updating the Committee on progress made in delivery of the 2018/19 Annual Audit Plan and key findings arising from audit assignments completed since the last Committee meeting;
- (b) highlighted that 82% of planned audit assignments were either complete or in progress (and 100% of the Audit Plan was either complete or in progress). A copy of the Audit Plan, as detailed at Appendix A of the report showed the progress made on all planned audit assignments;
- (c) confirmed that since the last Committee meeting, two reports had been finalised and the key findings were set out at section 2.5 of Appendix A
  - i. Business Continuity and Emergency Planning: The Council had a comprehensive corporate Business Continuity Plan in place, which was informed by annual business impact analysis, in line with good practice. At the time of audit, the plan had not been subject to periodic testing. This reduced the assurance opinion which Internal Audit were able to give for compliance. Arrangements for emergency planning were confirmed to be robust and test exercises on the planning with partner agencies took place bi-annually. A good assurance opinion for design and a satisfactory assurance opinion for compliance had been given.
  - ii. General Data Protection Regulation (GDPR): The revised data protection legislation came into force on 25 May 2018. The Council was in the process of implementing all actions required to meet GDPR compliance. An Information Asset Register was in place and policies were available to all staff. There remained some areas to be

addressed, including data retention arrangements and completion of staff and Member training. Based upon these findings, a satisfactory assurance opinion for design and a good assurance opinion for compliance had been given;

(d) advised that since the last Committee meeting, fourteen actions from audit reports had been completed. There were nineteen actions overdue for implementation, as detailed at Appendix 3 of Appendix A and only one of these actions was high priority, as detailed at Appendix 4 of Appendix A. It was anticipated that implementation of this action would be confirmed before the next meeting of this Committee. Appendix 3 included a breakdown of the service areas responsible, as requested by Members at the last meeting of this Committee.

A Member commented that they were disappointed to note that the emergency key contact list was not up to date at the time of audit and hoped that this had been dealt with quickly. The Head of Internal Audit advised that she anticipated this action to be implemented as a high priority and would follow this up.

A Member advised that as a County Councillor, they had received a certificate of protection, in relation to GDPR from Leicestershire County Council and asked if Borough Councillors would receive the same from this Council.

The Director for Legal and Democratic Services confirmed that online training was available and Members had also been given the opportunity to attend training with East Midlands Councils. The Council had registered Members for data protection and had paid the Information Commissioner's Office fee on behalf of Members. In addition, Privacy Notices on the Council's website also protected Members. The Council had a Data Protection Action Plan in place and were eager to do more in relation to protection. It would undertake more proactive work as part of its Member induction and development processes to increase confidence in dealing with data.

A Member asked if the Council's internal MIKE site offered training or information on GDPR. The Director for Legal and Democratic Services and Director for Corporate Services advised that there were a number of training courses on GDPR, freedom of information, data protection etc and some courses were specifically aimed at Members. A link to the MIKE site had been provided in a recent copy of the Members' Bulletin and would be provided again to the Member.

It was highlighted that the Information Commissioner's Office had superb guidance on GDPR and were willing to discuss issues and problems.

A Member commented that it was important to avoid sending group emails, which included private email addresses, as this was a breach of data protection. They added that they hoped all audit recommendations would be implemented within deadlines and the Head of Internal Audit advised that she attended Senior Leadership Team meetings on a quarterly basis to review overdue actions. This

helped to progress them. Many actions had been closed over the last few months and this issue was very high on the radar for Senior Management.

There being no further comments or questions from Members, Councillor Posnett moved the recommendation and Councillor Simpson seconded.

**RESOLVED** that the report be noted together with the progress made by the Internal Audit team in delivery of the Audit Plan.

G117

**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 the Council's process;
- (b) confirmed that she continued to pursue updates relating Borough and Parish Councillors' Registration of Disposable Pecuniary Interests and used the opportunity to remind Members to advise of any changes.
- (c) advised that at the time of writing the report two complaints were in progress for closure. An additional four complaints had been received since writing the report and an update on these would be provided at the next meeting of this Committee (on 26 March 2019).

There being no further comments or questions from Members, Councillor Glancy moved the recommendation and Councillor Simpson seconded.

**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.

G118

**New Governance Arrangements - Constitution**

The Monitoring Officer

- (a) submitted a report (copies of which had previously been circulated to Members), requesting the Committee to consider the new structure for the Constitution and the first batch of documents, which would populate the chapters of the Constitution before being referred to Council for adoption;
- (b) asked Members to continue to provide comments on the documents up to and following on from the Council meeting on 13 February, as it was important to ensure Member ownership and that the Constitution was fit for purpose. The comments already received were being collated and comments from the Governance Development Group had already been

incorporated into the documents;

(c) provided an overview of the documents highlighting the

- i. Introduction, Summary and Explanation, as detailed at Appendix B1 of the report. This document replaced the previous Summary and Articles. It set out how the Council worked and how it made decisions. The Council was eager to engage with the public and wanted to encourage an understanding of how decisions were made. This information should give a good introduction and also clarify how to locate documents (hyperlinks would be introduced within the Constitution, which would assist online use for Members, officers and the public).
- ii. Council/Committees Procedure Rules, as detailed at Appendix B4 of the report. This document contained only basic changes, such as reference to Cabinet instead of Committees.
- iii. Cabinet Procedure Rules and Scrutiny Procedure Rules, as detailed at Appendices B5 and B6 of the report were a work in progress. It was anticipated that the function and the procedure rules for each of the different decision making bodies be placed together for ease of reference. These documents would be submitted to the next Governance Committee meeting, rather than to the next Council meeting.
- iv. Scrutiny and Call In Procedure Rules, as detailed at Appendix B6 of the report. This document specified the remit of Scrutiny Committee and call in arrangements. Six Members, excluding Cabinet had to call in a decision, in order for it to be examined by Scrutiny. It was important to note that the Council had proposed its Key Decisions relate to a likely expenditure, saving or income of £50k or more and/or have a significant impact on two or more wards in the Borough. The £50k was a discretionary amount and the Council's benchmarking throughout Leicestershire revealed £50k was appropriate for a council of this size.
- v. Substitute Procedure Rules, as detailed at Appendix B8 of the report. It was proposed that substitute requirements only apply to Planning, Licensing and Regulatory Committees. A pool of six properly trained Members, would attend these Committees on a regular basis and have current knowledge to understand the Committees and make well informed decisions.
- vi. Access to Information Rules, as detailed at Appendix B9 of the report. This document had been updated to reflect best practice and to meet the Council's needs relating to how Members and the public accessed information and how the information was used in decision making.
- vii. Employment Procedure Rules, as detailed at Appendix B10 of the report. This document had been slightly updated to reflect best practice and current operational requirements.

A Member asked if training for Members of the Scrutiny Committee would be delivered soon after the forthcoming May election. The Director for Legal and Democratic Services confirmed that all Members needed to be trained within three months of the first Committee meeting. It was proposed that mandatory training

(equalities, data protection etc) be undertaken immediately and initial basic training for Committee meetings such as Scrutiny Committee would be undertaken before the first meeting. In depth Member development would follow.

A Member highlighted a typing error at paragraph 9.5 of Appendix B4 and the Director for Legal and Democratic Services confirmed she would correct this.

A Member commented that the amendments suggested by the Director for Legal and Democratic Services to make the Constitution more user-friendly were a huge improvement and would make the document more accessible.

There was a discussion on Members attending meetings as observers. It was felt that they should not be excluded from any Committee meeting, including during the discussion of exempt items. The importance of respecting and adhering to the principles of confidentiality was highlighted. The Director for Legal and Democratic Services agreed that Member inclusion and transparency was of great importance to decision-making. She added that some exempt information relating to vulnerable people, sensitive employee matters etc may require Members to demonstrate their 'need to know' for data protection reasons.

A Member asked for clarification on the reference to the Party Whip at paragraph 12 of Appendix B6. The Director for Legal and Democratic Services advised that Members of Scrutiny Committee should not be subject to a party whip and it was important to include the information as a fail safe.

A Member queried when Members would be able to access the completed version of the Constitution and the Director for Legal and Democratic Services advised that the document would be submitted to Council on 17 April for approval and would be adopted by Council at its annual general meeting on 7 May. It was anticipated that Members would have access before the May election but the document would not be in use until the annual meeting.

A Member acknowledged that the Council was moving towards a paperless system, commenting that they hoped that hard copies of the Constitution would be available for Members and the public.

There being no further comments or questions from Members, Councillor Simpson moved the recommendation and Councillor Faulkner seconded.

**RESOLVED** that the comments provided by Members on the proposed structure of the Constitution be submitted to Council.

G119

**Urgent Business**

There was no urgent business.

The meeting closed at: 7.10 pm

