

# CORPORATE GOVERNANCE COMMITTEE

19 MARCH 2018 - 2.30PM



**PRESENT:** Councillor J F Clark(Chairman), Councillor Mrs F S Newell(Vice-Chairman), Councillor G G R Booth, Councillor T R Butcher, Councillor D Hodgson, Councillor P Murphy, Councillor W Sutton, .

**APOLOGIES:** Councillor M Tanfield

**OFFICERS IN ATTENDANCE:** Brendan Arnold (Corporate Director and Section 151 Officer), Izzi Hurst (Member Services), Geoff Kent (Head of Customer Services), Carol Pilson (Corporate Director and Monitoring Officer) and Kathy Woodward (Internal Audit Manager)

## **CGC35/17 APPOINTMENT OF CHAIRMAN FOR THE REMAINDER OF THE MUNICIPAL YEAR**

Brendan Arnold requested a nomination for Chairman of the Corporate Governance Committee. It was proposed by Councillor Sutton, seconded by Councillor Mrs Newell and resolved that Councillor J Clark be elected as Chairman of the Corporate Governance Committee for the remainder of the Municipal Year.

## **CGC36/17 APPOINTMENT OF VICE-CHAIRMAN FOR THE REMAINDER OF THE MUNICIPAL YEAR**

It was proposed by Councillor Clark, seconded by Councillor Sutton and resolved that Councillor Mrs Newell be elected as Vice-Chairman of the Corporate Governance Committee for the remainder of the Municipal Year.

## **CGC37/17 PREVIOUS MINUTES**

The minutes of the meeting of 7 February 2018 were confirmed and signed.

## **CGC38/17 INTERNAL AUDIT CHARTER**

Kathy Woodward presented the Internal Audit Charter report and highlighted the additions to the previous years' report. She asked Members to consider the frequency in which the Internal Audit Charter is presented to the Corporate Governance Committee and suggested that this is reduced to every three years as opposed to annually. She highlighted that the Internal Audit Charter does not alter dramatically annually and whilst regulations state that it must be reviewed periodically, Members should consider how frequently this is.

Members asked questions, made comments and received responses as follows;

- Councillor Clark thanked Kathy Woodward for highlighting the amendments to the Internal Audit Charter and her presentation.
- Councillor Booth suggested that the Mission Statement would usually have its own section in the Charter and objectives would follow on from this. He agreed that the Internal Audit Charter should be reviewed every three years as opposed to annually.

- Councillor Sutton agreed with Councillor Booth, subject to any major changes being discussed with the Corporate Governance Committee.
- Councillor Sutton asked Kathy Woodward to give an example of an issue that would be discussed with the Chairman of the Corporate Governance Committee. Kathy Woodward explained that throughout the year the Chairman is updated with the progress of audits taking place and the suggested recommendations. She highlighted that since working at Fenland District Council, she has not had to specifically raise any concerns with the Chairman of the Corporate Governance Committee. Brendan Arnold said an example of such an issue, would be if the Council discovered major fraud or criminal activity during an audit and explained that in this instance, the Chairman would be confidentially briefed on the matter.
- Councillor Booth suggested a materiality threshold should be implemented in regards to the reporting of high-risk issues.

**The Corporate Governance Committee agreed to consider and approve the Internal Audit Charter and review every three years as opposed to annually.**

### **CGC39/17 RISK BASED INTERNAL AUDIT PLAN 2018/19**

Members considered the Risk Based Internal Audit Plan report presented by Kathy Woodward.

Members asked questions, made comments and received responses as follows;

- Councillor Sutton asked what contingencies were in place within the Internal Audit Team, in case of long term sickness or absence. Kathy Woodward explained that whilst this is a concern in such a small team, resources from other Local Authorities could be used and individual workloads would be re-structured to accommodate this. Brendan Arnold highlighted that the Audit Plan must be completed and therefore external resources would be need to be used. Carol Pilson stated that previously when a member of staff within the team had taken Maternity Leave, the team had used internal resources to assist with the additional workload. She explained that in certain cases, a revised Audit Plan would be discussed with the Corporate Governance Committee.
- Councillor Butcher asked for clarification on why certain Audit Areas in the report, had not been audited since 2015/16. Kathy Woodward explained that some areas do not require annual reviews and all the areas listed in the report will be audited in 2018/19.
- Councillor Booth asked for an update on the new Street-Lighting contract and asked when this new contract would be audited. Kathy Woodward explained that new contracts are usually reviewed after the first six months to allow an assessment to take place of the processes in place. Carol Pilson explained that contract management is the responsibility of the individual team involved and is not the responsibility of the Internal Audit team. Kathy Woodward agreed to assess whether a further audit is required in relation to this new contract when it starts in the next Municipal Year.
- Councillor Butcher asked for clarification on the meaning of 'Corporate assurance - Transparency' listed in the report. Kathy Woodward stated that this was introduced by central Government and relates to transparency to members of the public and lists specific documents that must be published, for example, Members Interests.
- Councillor Clark thanked Kathy Woodward for her presentation.

**The Corporate Governance Committee acknowledged the Internal Audit resources and agreed to consider and note the Internal Audit Plan for 2018/19.**

## **CGC40/17 REGULATION OF INVESTIGATORY POWERS ACT (RIPA) – POLICY UPDATE**

Geoff Kent presented the report to Members. He asked Members to approve the information tabled at the meeting and include it in the draft RIPA policy. He explained that a recent RIPA Inspection had taken place and the Inspector was very happy with the Council's use of RIPA. Geoff Kent added that no incidents had required the use of RIPA since the last Corporate Governance Committee.

- Councillor Booth stated that he was happy with the amendments to the policy and the overall use of RIPA within the Council.
- Councillor Hodgson asked for clarification on Page 74 of the Agenda regarding 'Urgent Oral Authorisation'. Carol Pilson stated that under previous legislation, oral authorisation could be used to authorise the use of RIPA however there has since been a major change in the law resulting in all applications requiring the permission of the Magistrates Court.
- Councillor Clark thanked Geoff Kent for the update and presentation.

**The Corporate Governance Committee agreed to recommend to Council to approve the revised RIPA policy at their meeting on 17 May 2018. The Corporate Governance Committee agreed for the updated sections to be inserted into the draft RIPA policy.**

## **CGC41/17 ITEMS OF TOPICAL INTEREST**

Councillor Clark made the following statement;

'You will be aware of the breakdown of communication of the Corporate Management Team to brief the Leader and senior members on meetings taking place over a number of months on a waste to energy plant (incinerator) in Wisbech.

Given there are ample channels for senior members to be briefed through, informal cabinet and portfolio briefings, on something as important as this and the experiences that Norfolk encountered when they discussed an incinerator.

The new Leader of the Council said at the last full Council meeting that something as sensitive and controversial as this should never have happened. Therefore the Corporate Governance Committee asks;

1. The Head of Paid Service provides a written response how this could have happened.
2. What action is going to be taken to ensure that this does not happen in the future?'

Councillor Sutton asked that it be noted that the above requests are completed as a matter of urgency. Brendan Arnold suggested a timescale of one month in order to allow responses to be collated which Members agreed to.

**The Corporate Governance Committee agreed with the above request.**