

CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

17 November 2022

* Councillor Deborah Seabrook (Chairman)

* Councillor Liz Hogger
Councillor Nigel Manning
* Councillor Susan Parker
* Councillor George Potter
Councillor Tony Rooth
* Councillor James Walsh

Independent Members:

* Maria Angel MBE
Murray Litvak

Parish Members:

* Julia Osborn
* Ian Symes
* Tim Wolfenden

*Present

The Deputy Leader of the Council, Councillor Joss Bigmore was also in attendance. Councillor Ramsey Nagaty was in remote attendance.

CGS38 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

An apology for absence was received from Councillor Nigel Manning.

CGS39 ELECTION OF CHAIRMAN FOR THE REMAINDER OF THE 2022-23 MUNICIPAL YEAR

The Committee noted that Article 10 of the Council's Constitution prohibited, among other things, a lead councillor from being chairman or vice-chairman of this Committee. There was now a vacancy in the office of chairman of this Committee following the appointment, on 7 November 2022, of Councillor George Potter to the Executive as Lead Councillor for Climate Change.

Council Procedure Rule 29 (b) provided that where a vacancy occurs in the office of chairman or vice-chairman of a committee during the course of a municipal year, the election of their successor for the remainder of that municipal year shall be conducted by the committee at its next meeting.

Accordingly, the Committee

RESOLVED: That Councillor Deborah Seabrook be elected Chairman of the Committee for the remainder of the 2022-23 municipal year.

CGS40 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS

There were no disclosures of interest.

CGS41 MINUTES

The minutes of the meeting of the Committee held on 29 September 2022, and the special meeting held on 6 October 2022 were approved as a correct record.

The Chairman signed the minutes.

CGS42 DECISION AND ACTION TRACKER

The Committee noted that the decision and action tracker had been introduced to monitor progress against the decisions and actions that the Committee had agreed, which would be kept up to date for each meeting. When decisions/actions were reported as being 'completed', the Committee would be asked to agree to remove these items from the tracker.

The Committee, having noted the updates set out on the Supplementary Information Sheet

RESOLVED: That the decision and action tracker be noted and that the actions reported as being completed be removed from the table.

CGS43 SUMMARY OF INTERNAL AUDIT REPORTS (APRIL TO NOVEMBER 2022)

The Committee considered a report on progress made by the Council's internal audit manager (KPMG) on their internal audit plan for 2022-23 for the period April to November 2022, which included a summary of the work that they had concluded since the previous report to Committee and what they had planned to do ahead of the next.

The report also reviewed:

- (a) the design and effectiveness of the corporate risk management processes and controls at the Council. KPMG reported that there had been a significant improvement in this area of the Council's work since it was last reviewed two years ago. This was reflected in the 'significant assurance with minor improvement opportunities' (amber/green rating) that KPMG had provided in that regard; and
- (b) processes and controls relating to IT infrastructure for remote working for which KPMG had also provided a 'significant assurance with minor improvement opportunities' (amber/green rating) in that regard.

In debating this item, the members of the Committee raised the following points:

- In response to a request for clarity, it was explained that the corporate-level business continuity plan referred to in recommendation 2.2 (IT infrastructure for remote working) would be drafted by amalgamating existing service level business continuity plans.
- In response to ongoing concerns over the associated risks of investing in other local authorities, in particular the £10 million invested in Thurrock Council, the Joint Section 151 Officer gave assurance that such loans were underwritten by the Public Works Loan Board. In any event, the term of that particular loan was fixed until 30 March 2023. It was also explained that the investment strategy formed part of the overall Treasury Management Strategy which would be subject to formal approval as part of the budget process.

The Committee

RESOLVED: That the Internal Audit Progress Report (April to November 2022), attached as Appendix 1 to the report submitted to the Committee, together with the key findings from the reviews undertaken since the last report to the Committee, be noted.

Reason:

To ensure good governance arrangements and internal control by undertaking an adequate level of audit coverage.

CGS44 RISK MANAGEMENT AND CORPORATE RISK REGISTER

The Committee considered a report on the changes to the corporate risk register since it was last presented to the Committee in April 2022, including the change in residual RAG ratings in respect of three corporate risks, as shown by table 1 referred to in the report.

This report also detailed how the new process continued to achieve the desired outcomes set out in the Risk Management Strategy and Policy as well as setting out any changes made to the Strategy and Policy by the Risk Management Group.

Whilst the Committee acknowledged and appreciated the work carried out to date, there were a number of comments and suggestions for improvement as follows:

- where items were being re-scored, particularly if they were moving into a red rating, more information was requested in that regard in respect of the reasons for the change and any concomitant mitigations. There was particular concern, which was shared by the Deputy Leader, about CR9 (risk that capital programmes and projects experience issues that affect time, quality or budget) and further information as to reasons and mitigation measures was requested. The Deputy Leader confirmed that the main reason for the red rating on CR9 was inflationary pressures in major projects such that the viability of some of those projects was under review. It would be a matter for the Major Projects Board and the various governance boards to propose possible solutions and mitigations, which would then need to be put to Executive and, if additional monies or changes to the objectives or delivery plan for such projects were required, to full Council for approval.
- It was suggested that the Risk Management Group consider for future reports:
 - (a) whether the risk change heatmap should also plot the gross scores as well as residual scores, so that it is easy to see risk changes before any mitigation is applied;
 - (b) the axes on the heatmap charts are labelled in order to identify the 'likelihood' axis and the 'impact' axis;
 - (c) all the boxes are the same size so that some sense of perspective is achieved;
 - (d) the risk register is re-arranged in descending order according to gross scores;
 - (e) the possible duplication of reference to CR23 (risk that Council staff or contractual staff take industrial action) on the revised heatmap and whether it should be rated green, rather than red;
 - (f) In view of the outcome of the internal audit report on risk management considered at this meeting, whether CR25 (risk that management and governance processes in place are not fully utilised for all programmes and projects) had been rated too strongly as a red risk;
 - (g) whether CR21 (risk that the Council fails to meet its target of becoming net carbon zero by 2030) should appear on the heatmap.

The Committee, having considered the corporate risk register

RESOLVED:

- (1) That the Committee's comments and suggestions, as outlined above, be considered by the Risk Management Group.
- (2) That the Committee notes the progress made to implement the new risk management process.

Reason:

The Risk Management Strategy and Policy states that this Committee will review the corporate risk register on a six-monthly basis. It is the responsibility of the Committee to ensure it is

satisfied that the Council operates and maintains a robust and effective risk management process.

Action:	Officer to action:
To circulate to the Committee further information from the Major Projects Board as to reasons for CR9 (risk that capital programmes and projects experience issues that affect time, quality or budget) moving into a red rating, together with the key mitigation measures to be put in place.	Yasmine Makin, Policy Officer to liaise with Abi Lewis and Major Projects Board
<p>To ask the Risk Management Group to consider, for future reports:</p> <ul style="list-style-type: none"> (a) whether the risk change heatmap should also plot the gross scores as well as residual scores, so that it is easy to see risk changes before any mitigation is applied; (b) the axes on the heatmap charts are labelled in order to identify the 'likelihood' axis and the 'impact' axis; (c) all the boxes are the same size so that some sense of perspective is achieved; and (d) the risk register is re-arranged in descending order according to gross scores; (e) the possible duplication of reference to CR23 (risk that Council staff or contractual staff take industrial action) on the revised heatmap and whether it should be rated green, rather than red; (f) In view of the outcome of the internal audit report on risk management considered at this meeting, whether CR25 (risk that management and governance processes in place are not fully utilised for all programmes and projects) had been rated too strongly as a red risk; (g) whether CR21 (risk that the Council fails to meet its target of becoming net carbon zero by 2030) should appear on the heatmap. 	Yasmine Makin, Policy Officer

CGS45 WORK PROGRAMME

The Committee considered its updated 12-month rolling work programme and noted that the Financial Monitoring report for period 6 was due to be considered at this meeting, but the chairman had been advised, however, that the projected period 6 outturn remained unchanged from period 4. The new Joint Management Team wanted the opportunity to review the current position in more depth and to identify opportunities for remedial action where possible in line with the approved action plan presented to the Executive on 27 October 2022.

The Committee's attention was drawn to the update on the safeguarding audit action plan, which had been provided in a tabular format and was attached as Appendix 2 to the report. This matter was also due to be considered at this meeting but had been deferred to the January meeting.

The Committee

RESOLVED: That The updated 12 month rolling work programme, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason:

To allow the Committee to maintain and update its work programme.

The meeting finished at 7.55 pm

Signed
Chairman

Date