

TEWKESBURY BOROUGH COUNCIL

Minutes of a Meeting of the Audit and Governance Committee held at the Council Offices, Gloucester Road, Tewkesbury on Thursday, 28 March 2019 commencing at 2:00 pm

Present:

Chair	Councillor H C McLain
Vice Chair	Councillor V D Smith

and Councillors:

G F Blackwell, P A Godwin and S E Hillier-Richardson

also present:

Councillor E J MacTiernan

A&G.1 ANNOUNCEMENTS

- 1.1 The evacuation procedure, as noted on the Agenda, was taken as read.
- 1.2 The Chair indicated that she had exercised her discretion under Procedure Rule No. 43 of the Constitution to vary the order of the Agenda and would take Item 9 – Annual Safeguarding Update, after Item 5 – Audit and Governance Committee Work Programme.

A&G.2 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

- 2.1 Apologies for absence were received from Councillor K J Cromwell. There were no substitutions for the meeting.

A&G.3 DECLARATIONS OF INTEREST

- 3.1 The Committee's attention was drawn to the Tewkesbury Borough Council Code of Conduct which was adopted by the Council on 26 June 2012 and took effect from 1 July 2012.
- 3.2 There were no declarations made on this occasion.

A&G.4 MINUTES

- 4.1 The Minutes of the Audit Committee meeting held on 12 December 2018, copies of which had been circulated, were approved as a correct record and signed by the Chair.

A&G.5 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

5.1 Attention was drawn to the Audit and Governance Committee Work Programme, circulated at Pages No. 10-15, which Members were asked to consider.

5.2 The Head of Corporate Services indicated that the Work Programme had been in place for 12-18 months and was working well. He made particular reference to the Internal Audit Peer Review Update which had been added to the Agenda for the meeting on 24 July 2019 and would advise Members on the progress made in implementing the recommendations arising from the independent review of Internal Audit. It was subsequently

RESOLVED That the Audit and Governance Committee Work Programme be **NOTED**.

A&G.6 ANNUAL SAFEGUARDING UPDATE

6.1 Attention was drawn to the report of the Head of Community Services, circulated at Pages No. 57-62, which gave an update on how the Council was fulfilling its safeguarding responsibilities. Members were asked to consider the annual report.

6.2 Members were advised that this was a fairly succinct report with an action plan, attached at Appendix 1, which aimed to provide assurance that Tewkesbury Borough Council recognised and accepted its responsibilities to ensure, as far as possible, that young people and vulnerable adults were protected from harm. It was noted that there had been legislative changes introduced by the Children and Social Work Act 2017 which had placed a duty on district authorities to play a more robust role in safeguarding and, locally, this had led to a review of the way that the Safeguarding Children Boards operated. In light of the transition taking place at County level, a light touch review had been carried out in relation to Tewkesbury Borough Council's own Safeguarding Policy which remained fit for purpose. The Head of Community Services usually reported on the Section 11 self-assessment of safeguarding compiled by Children's Services but this was not particularly relevant to district authorities which did not have the same level of involvement as the County Council, as such, this was being re-written and there was no requirement to submit a self-assessment this year.

6.3 A Member drew attention to Page No. 58, Paragraph 2.3 of the report which stated that, from 29 June 2018, local authorities must begin their transition from local Safeguarding Children Boards to Safeguarding Partner and Child Death Review Partnerships which must be completed by 29 September 2019 and she questioned whether this was just applicable to the county. In response, she was advised that these were national changes, therefore it would affect the whole of Gloucestershire and the rest of the country. A Member noted from the action plan that new online training was being made available to Councillors and he questioned whether this had been improved from that which was offered previously. The Housing Services Manager confirmed that she had completed the training and had found it to be an improvement; training would be rolled out to all Members following the local elections in May.

6.4 It was

RESOLVED That the annual report giving assurance as to the level of the Council's compliance with its safeguarding duty be **NOTED**.

A&G.7 EXTERNAL AUDITOR'S CERTIFICATION YEAR END LETTER MARCH 2018

- 7.1 Attention was drawn to Grant Thornton's Certification Year End Letter March 2018, circulated at Pages No. 16-18, which set out the findings of the housing benefit subsidy claim which had been certified during the year. Members were asked to consider the information provided.
- 7.2 Members were advised that the housing benefit subsidy claim for the financial year 2017/18 had been certified as £18.7M and the letter gave a very high level summary of the qualification matters reported to the Department for Work and Pensions and adjustment to the claim form. Four items had been outlined as matters resulting in qualification, as set out at Appendix A of the letter - these were quite technical but the Audit Manager from Grant Thornton advised that, essentially, Grant Thornton took a sample of the claims over the year and extrapolated these over the whole population, it was then up to the Department for Work and Pensions to decide if more work needed to be carried out. Whilst a certain amount of error was expected, as a couple of the errors dated back over the past few years, it was recommended that the Council review this going forward. Appendix B of the letter showed an additional charge of £4,311 for the extra work undertaken.
- 7.3 Having considered the information provided, it was
- RESOLVED** That the Grant Thornton Certification Year End Letter March 2018 be **NOTED**.

A&G.8 EXTERNAL AUDITOR'S AUDIT PLAN 2018/19

- 8.1 Attention was drawn to Grant Thornton's Audit Plan 2018/19, circulated at Pages No. 19-48, which set out the Audit Plan for the year ended 31 March 2019. Members were asked to consider the information provided.
- 8.2 The Audit Manager from Grant Thornton advised that the significant risks were outlined at Pages No. 23-24 of the report and had been identified as management over-ride of control which was a presumed risk; valuation of Property, Plant and Equipment; and valuation of pension fund net liability. There was a rebuttable presumed risk that revenue may be misstated due to improper recognition but Grant Thornton did not consider this to be a significant risk for Tewkesbury Borough Council. Page No. 26 of the report outlined materiality and the misstatements that would be reported. It was noted that materiality at the planning stage of the audit was £750,000 which was approximately 2% of the Council's prior year gross expenditure – this had increased due to spend - and it was proposed that an individual difference could normally be considered to be clearly trivial if it was less than £37,000. Page No. 27 of the report set out the background to the Value for Money approach and Members were advised that the 2017/18 Value for Money conclusion had highlighted that the Council must develop a robust savings plan in order to deliver its annual budgets with sufficient capacity to manage its emerging cost pressures over the duration of its Medium Term Financial Strategy (MTFS). Grant Thornton would review the Council's arrangements to establish how it was managing and monitoring those financial risks; review the robustness of its financial plans and the key assumptions supporting the development of the MTFS and savings plans; and understand the extent to which the Council was seeking to identify further income generation opportunities. The annual audit fee was set out at Page No. 28 of the report and Members would be pleased to note that it had reduced significantly from the previous year – whilst this was good for the Council, it also meant there was a need for Grant Thornton to be more efficient and its requirements in terms of meeting the deadline for issuing its opinion were outlined at Page No. 29 of the report. Members were advised that there had been a slight change in relation to the housing benefit certification which had a baseline fee of

£7,795 and represented further savings to the Council.

8.3 Having considered the information provided, it was

RESOLVED That Grant Thornton's Audit Plan 2017/18 be **NOTED**.

A&G.9 STATEMENT OF ACCOUNTING POLICIES

- 9.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 35-56, set out the main changes in accounting policies under the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19. Members were asked to approve the accounting policies to be used in the preparation of the 2018/19 financial statements.
- 9.2 The Finance Manager explained that preparation of the 2018/19 annual statement of accounts would commence the following week. In order to do this, the Council had to review all of its accounting policies to ensure it complied with the Code. Substantial changes to the accounting standards had taken effect from 1 April 2018 in relation to Revenue Recognition and Financial Instruments due to the adoption of International Financial Reporting Standard (IFRS) 15 – Revenue from Contracts with Customers, and IFRS 9 – Financial Instruments. IFRS 15 was relatively minor for Tewkesbury Borough Council and related to changes in the way income was recognised; however, IFRS 9 was likely to have significantly more impact as it brought in a new way to classify financial instruments which looked at how they were accounted for and included potential future losses. Currently, these did not impact on the general fund but this change would mean the value of the fund could fluctuate and this would affect the bottom line. Whilst the Council would still need to account for it, the government had issued a statutory override for pooled funds for five years to avoid the impact on the general fund. IFRS 9 also impacted on the way the Council held instruments but the main change related to forward-looking expected losses i.e. it would be necessary to undertake an assessment of what the Council could potentially lose for every instrument it held. The Finance Manager reiterated this was the biggest change for quite some time and would require a lot of work. In addition, it was noted that the Council had adopted the Community Infrastructure Levy (CIL) in October 2018, with charging commencing on 1 January 2019, so a policy was required to set out the proposed accounting treatment. This was difficult as developers could pay in instalments but the full CIL liability was due at commencement of development, therefore, the full amount should be shown in the accounts at that date.
- 9.3 A Member found IFRS 9 very complicated and, with regard to the general fund, she questioned whether losses would be visible to the public. The Finance Manager confirmed that the income and expenditure accounts would show profit and losses. With regard to CIL, a Member questioned what happened if this money was not received, for instance, if the developer went out of business. In response, the Finance Manager clarified that it was classed as a demand, which had more weight in law than a debt, and the Council would be seen as a preferred creditor should a developer go bankrupt. The Head of Development Services confirmed that the CIL money was required regardless of whether a development was finished; should a developer go out of business, or a development change, there was a conversation to be had but the Council ultimately remained in control of that. The Member queried at what point money was actually allocated to projects and was informed that the governance had not been determined; however, 15% of the total - or 25% if a Neighbourhood Development Plan was in place - was allocated to Parish Councils with the remainder going into the infrastructure pot. CIL was similar to Section 106 in that there was often a lag in payment but it would be distributed on a percentage apportionment so the bulk of it would be determined by a mechanism which the Council would decide – this had not yet been decided by any of the Joint Core Strategy Councils and would be subject to a report to each of the authorities later in

the year. The Member raised concern that CIL had taken effect from January without any governance arrangements in place and the Head of Development Services provided assurance that the governance structure did not need to be set-up at the same time because, whilst CIL charges had been introduced in January, there was no money in the pot for the Council as development had not yet commenced on any of the sites. A decision had been taken to implement CIL in order to start accruing money, had that not happened the Council could potentially have lost £85,000 per month. Notwithstanding this, the governance structure for CIL was essential and she provided assurance that this would come forward later in the year.

9.4 Having considered the information provided, it was

RESOLVED That the accounting policies to be used in the preparation of the 2018/19 financial statements be **NOTED**.

A&G.10 CALL-IN OF OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

10.1 The report of the Head of Corporate Services, circulated at Pages No. 63-67, updated Members on the progress made in implementing specific internal audit recommendations that had been questioned at previous Audit Committee meetings. Members were asked to consider the report.

10.2 The Head of Corporate Services explained that, at the Audit Committee on 12 December 2018, Members had been concerned that a number of recommendations had not been implemented despite a revised implementation date being agreed and it had been resolved to 'call-in' those recommendations where the implementation date had slipped at least twice. This had applied to five recommendations: homelessness – procurement of storing goods; Winchcombe Tourist Information Centre – lease agreement; recycling – data protocol; business continuity – update of business continuity plan; and Disabled Facilities Grant monitoring. As highlighted at Appendix 1 to the report, of the five recommendations, only the Winchcombe Tourist Information Centre – lease agreement; and recycling – data protocol remained unimplemented. Members were informed that both of the outstanding recommendations would be followed-up by Internal Audit.

10.3 A Member expressed concern that the issue with Winchcombe Tourist Information Centre was an ongoing problem and questioned whether it would be resolved by the end of December 2019 as suggested. The Head of Development Services advised that the issue was that a physical copy of the lease could not be located, therefore, a meeting had been set with the Winchcombe Trust for early April to discuss drafting a new position; it was anticipated that December 2019 was a realistic timescale for completion of the agreement.

10.4 It was

RESOLVED That the progress made in relation to implementing specific internal audit recommendations that had been questioned at the previous Audit Committee meeting be **NOTED**.

A&G.11 INTERNAL AUDIT PLAN MONITORING REPORT

11.1 The report of the Head of Corporate Services, circulated at Pages No. 68-96, was the third monitoring report of the financial year and summarised the work undertaken by the Internal Audit team for the period December 2018 to February 2019. Members were asked to consider the audit work completed and the assurance given on the adequacy of the internal controls operating in the systems audited.

- 11.2 The Head of Corporate Services advised that the full details of the work undertaken in the period were attached at Appendix 1 to the report. It was noted that a 'limited' opinion had been issued on the audits in relation to Ubico client monitoring (budgetary control framework); Community Infrastructure Levy (governance); and the General Data Protection Regulation (privacy notices). A list of audit recommendations that were due to be followed-up could be found at Appendix 2 to the report; of those 15 recommendations, 12 had been implemented, one partially implemented and two were yet to be implemented. Two of the three recommendations which were partially implemented or unimplemented had now been followed-up twice and Officers were in attendance to answer any questions in accordance with the Committee's requirements.
- 11.3 With regard to the Ubico client monitoring audit, Members were advised that a previous audit undertaken in 2016/17 had made a series of recommendations to improve contract monitoring arrangements, therefore, this audit had been carried out as part of the 2018/19 audit plan and the Head of Corporate Services was pleased to report there had been significant improvement. A new set of Key Performance Indicators (KPIs) had been developed and agreed across all of the Ubico partners around the key activities undertaken in waste and recycling services. The KPIs were reported to the various governance boards and to the Council's Overview and Scrutiny Committee on a six monthly basis with the first report presented in January 2019. This did not include KPIs in relation to grounds maintenance which had been developed by a Member Working Group and approved by the Executive Committee earlier in the month. It was noted that there were still some elements of the service which did not have KPIs, for instance, trade waste which was currently being reviewed with a report being taken to the Overview and Scrutiny Committee at the end of the year. Members were informed that a limited opinion had been issued in respect of financial reporting e.g. budget monitoring. Regularity and detail had improved, i.e. a monthly budgeting report was produced and reviewed by the Finance Team which was more detailed than it had been originally and, although there had previously been limited analysis, the report now covered various activities and verbal assurance had been given that there would be further improvements following the appointment of the new Ubico Financial Controller. Notwithstanding this, a detailed review of the latest budget figures had highlighted a number of concerns in relation to the substantial overspend and limited information to explain the position – at the end of quarter three, Ubico had reported a projected overspend of £230,887, which was a significant increase from the previous month, and certain areas were considerably overspent, particularly tyres and Personal Protective Equipment (PPE). With regard to the overspend on PPE, it was noted that this had originally been allocated to a holding account before being fully attributed to Tewkesbury Borough Council which was also concerning. It had since been established that operatives working on the Tewkesbury Borough Council contract had been issued with new higher-specification kit but Tewkesbury Borough Council had not been notified of this nor had Officers been approached to approve the spend. The overspend on tyres was yet to be justified with the next meeting of Senior Officers taking place on 9 April 2019. Members were advised that days would be allocated in the 2019/20 audit plan for any potential internal audit involvement, should that be required following those Officer discussions.
- 11.4 A Member questioned whether the Council had been given any indication that there would be an overspend. In response, the Finance Manager explained that the projected full-year outturn in December 2018 had shown a £153,000 overspend but just a month later this had increased to £230,000 with the outturn for the end of February 2019 at £267,000 – there was an expectation that the projection would be consistent and Officers needed to know why it had changed so significantly in such a short space of time. The Member indicated that she had real concerns about this, particularly as the full year outturn could be even worse, and questions needed to

be asked. Another Member welcomed the new KPIs that had been put in place and felt that was the best way to ensure the company stayed on target; however, he too was very concerned with what he had heard and felt that senior management initially needed to discuss the issues with Ubico but that should be followed by a full audit. A Member did not understand why Ubico could not work within a budget as the costs seemed to be for fairly standard, predictable items e.g. tyres, equipment. This would not be happening if the service was still provided in-house so she felt that Officers needed to take more control. The Finance Manager advised that senior managers had written a letter to the Ubico Managing Director giving a deadline of 29 March to provide a full, robust explanation of the overspends. She assured Members that Officers were working hard to address the issues and were hopeful they could be resolved. She agreed that it was necessary to understand the budget and stressed that the invoices related to the overspends would not be paid until they had been accounted for.

- 11.5 A Member questioned whether other Ubico partners had experienced similar problems and at what point Members would be made aware of the results of the conversations between Officers and Ubico – in her view, it needed to be discussed at a Council meeting. The Borough Solicitor clarified that Ubico was a teckal company, of which Tewkesbury Borough Council was a shareholder, and it was necessary to establish what had happened on this occasion and put in place mechanisms to ensure that it did not happen again; clearly this should not have happened but it needed to be managed in the proper way and she did not feel there would be any merit in the issue being discussed at Council at this stage. The Finance Manager indicated that, as a shareholder, Tewkesbury Borough Council had the power to change things and Officers had confidence in the Ubico Financial Controller who understood the issues and wanted to work with them. In terms of other authorities, she reminded Members that Tewkesbury Borough Council was one of seven partners and financial information from each was reported to the Joint Waste Team. The Head of Corporate Services reiterated that there would be more internal audit work to do around the Ubico contract and days would be allocated in the audit plan following the conversations between Ubico and the relevant Officers. A report would be brought back to the Committee in July when the data for quarter one of 2019/20 would be available. The Chair indicated that this was the last Audit and Governance Committee meeting of the current Council term, and the Committee may not have the same membership going forward, so she felt it should be recommended to the new Committee that this be made a priority.
- 11.6 The Head of Corporate Services advised that an audit had been carried out in relation to the serious and organised crime framework and it was noted that the checklist had been presented at the last Audit Committee meeting. This was a national initiative and it was a priority to audit key risk areas such as HR, finance, procurement and regulatory functions e.g. licensing and housing; this was included in the audit plan for the next six months. The audit had resulted in recommendations around raising awareness of key policies such as the Whistleblowing and Bullying and Harassment Policies. This would continue with the Gifts and Hospitality Policy which was currently being reviewed, the outcomes of which would be presented to the Committee in the six monthly update. Staff awareness of the policies would be supported by bi-annual reminders of the policy documents. The Home Office made reference to training for staff to recognise indicators of Officers working under duress or potential corruption and a recommendation had been made to complete an assessment of staff roles where this training would be beneficial. With regard to HR and pre-employment/vetting checks, it was noted that Officers collected all of the required information but it was recommended that consideration be given to providing them with training to identify fraudulent IDs and documentation. In addition, it was recommended that consideration also be given to whether certain roles required additional checks, for instance, credit checks. Members were advised that the secondary employment

form was part of the Council's Code of Conduct and outlined expectations placed on Officers in terms of behaviours inside and outside the workplace. One recommendation was that the Code of Conduct form should be amended to require staff to sign to demonstrate they had understood what they had read and would comply with the Code and that this should be rolled-out to all employees. Another aspect of the audit had considered whether staff were able to raise concerns in confidence. It was noted that there was a Whistleblowing Policy in place and whilst, training had been provided to staff as part of a general programme, it was recommended that more specific training should be carried out for staff and Members in relation to the type of concerns that should be raised and to provide assurance that they would be dealt with appropriately. This would be taken into account as part of the review of the Whistleblowing Policy being carried out by the Counter Fraud Unit on behalf of the Council.

- 11.7 Members were informed that, although the Community Infrastructure Levy (CIL) audit had been given a limited opinion, this had been taken positively by the Head of Development Services who welcomed the value added by the recommendations which had been taken forward into an action plan. As CIL was now being collected, it was important to agree a methodology for managing it, for example, Tewkesbury Borough Council was the recommended administrator for all three Joint Core Strategy authorities. Whilst a new database had been purchased to manage the CIL function - and its functionality had been assessed as part of the audit - there were some issues in terms of lack of co-ordination to ensure that the basis of the work was effective, for example, monitoring procedures, reconciliation etc. In response to the audit, a CIL Working Group had been established to take forward the audit recommendations in relation to the operational practices, and potentially to consider the Regulation 123 list which defined where funding for particular projects would be sourced i.e. through Section 106 monies or CIL income. A Member questioned who sat on the Working Group and was advised it was an Officer group with representation from all departments involved with CIL i.e. Planning, One Legal, Revenues and Benefits and Finance. In response to a query as to when this would be considered by Members, the Head of Development Services explained that this was about the operational elements and physical receipt of the money; the governance would be taken to the Executive Committee in due course. The Head of Corporate Services confirmed that internal audit followed-up an audits which had been given a limited opinion so this would be brought back to the Audit and Governance Committee. A Member drew attention to Page No. 81 of the report which set out that a demand notice for CIL income had been issued on 18 February 2019 and she questioned which of the authorities this had been issued by. The Head of Development Services confirmed this had been issued by Tewkesbury Borough Council but the actual amount on the notice was zero as it related to a self-build property which qualified for relief; she clarified that no CIL money had been received to date.
- 11.8 Members were informed that the General Data Protection Regulation audit had also been given a limited opinion as a review of the privacy notices on the Council's website had identified that some aspects of the Council's services were not covered - for example, online forms, safeguarding, procurement - and it was recommended that a full review of the notices be undertaken. The Head of Corporate Services went on to advise that the Internal Audit team also carried out corporate improvement work and Page No. 88 of the report gave a brief overview of what had been done during the period in relation to business continuity, the pool car scheme and a homeless waiver.
- 11.9 Attention was drawn to Appendix 2 to the report and Members were advised that this was generally positive; however, two recommendations were outstanding. The first related to the Disabled Facilities Grants audit and obtaining evidence of completion of the Severn Vale Housing works and Members were informed that the Head of Community Services had provided an email from Bromford (previously

Severn Vale) confirming that all works had been carried out and installed with the original proposals; however, this was insufficient and further verification was required e.g. installation certificates. The second was a recommendation arising from the complaints audit which required the Council's data sharing protocol with the County Council to be updated and it was noted that this had been given a new deadline of September 2019.

11.10 Having considered the information provided, and views expressed, it was

RESOLVED That the Internal Audit Monitoring Report be **NOTED**.

A&G.12 INTERNAL AUDIT SIX MONTH PLAN 2019/20

12.1 The report of the Head of Corporate Services, circulated at Pages No. 97-102, set out the proposed Internal Audit Plan for April to September 2019. Members were asked to approve the six month plan as set out at Appendix 1 to the report.

12.2 The Head of Corporate Services advised that the Internal Audit Plan provided a total of 200 productive days and was delivered by two full-time equivalent members of staff. Particular reference was made to the 15 days allocated for the General Data Protection Regulation and 10 days allocated to the serious and organised crime framework which would include working with licensing. It was noted that 30 days had been allocated for corporate improvement and 20 days for the corporate risk register - this informed a lot of internal audit work therefore it was important to give assurance that the information it contained was correct and that the mitigating controls were in place and working. In terms of specific service areas, days had been allocated to Ubico, ICT, Disabled Facilities Grants and the Housing Benefit subsidy. A number of days had also been set aside for ongoing work to implement the team's Quality Assurance and Improvement Programme which included the peer review of individual audit assignments and supporting documentation. There would also be training for new Members, following the local elections in May, and the team would look at income streams around internal audit as well as providing consultancy and advice and sitting on corporate groups. Follow-up reviews were an important aspect of internal audit work and 15 days had been allocated for this purpose in the six month period.

12.3 It was

RESOLVED That the Internal Audit Six Month Plan be **APPROVED** as set out at Appendix 1 to the report.

A&G.13 MONITORING OF SIGNIFICANT GOVERNANCE ISSUES

13.1 The report of the Borough Solicitor, circulated at Pages No. 103-110, set out the Significant Governance Issues and the action to be taken to address them as identified in the Council's Annual Governance Statement. Members were asked to consider the progress made against those issues.

13.2 Members were advised that the table set out at Appendix 1 to the report comprised the Significant Governance Issues and the proposed actions and timescales for completion, with a further column indicating the progress as at 1 March 2019. The Borough Solicitor confirmed that she was confident all actions would be completed in accordance with the timescales set out. It was

RESOLVED That progress against the Significant Governance Issues identified in the Council's Annual Governance Statement be **NOTED**.

A&G.14 CORPORATE RISK REGISTER

- 14.1 The report of the Head of Corporate Services, circulated at Pages No. 111-126, asked Members to consider the risks contained within the Corporate Risk Register and assurance that the risks were being effectively managed.
- 14.2 Members were advised the Council had a risk management strategy in place which formalised the risk management arrangements and set out the risk management approach around the identification, analysis, prioritisation and management of risk. A key element of the strategy was the maintenance of a Corporate Risk Register that captured the Council's key corporate risks. The Risk Management Strategy had been brought to the Audit Committee in December 2018 and was subsequently approved by the Executive Committee in January 2019. The scoring in the Corporate Risk Register was based on three stages: gross risk score – the inherent risk without any mitigating controls in place; current risk score – the assessed risk after the application of controls; and target risk scores – proposed risk score by applying future controls if the current risk score was deemed to be too high). The Corporate Risk Register included a column for mitigating controls to demonstrate that the measures in place were working effectively and any additional mitigation required was set out in the 'identified risk management action points' column; this would be used to inform the Internal Audit Plan moving forward. The Corporate Risk Register was presented to the Corporate Management Team on a monthly basis and was further reviewed by the Corporate Governance Group on a quarterly basis.
- 14.3 It was noted that a new risk had been put forward by the Counter Fraud Unit in relation to the Council's fraud and corruption framework which was considered to be well-managed but would be kept under review. Another new risk had been added following a meeting of the Corporate Management Team around the uncertainty over Brexit and the potential adverse impact on Council services and communities - as this was so uncertain, it was unclear how this risk could be managed but a plethora of information was available from national and regional agencies and key action points had been identified in terms of ongoing participation in the multi-agency network, supporting small businesses through the Growth Hub, the Gloucestershire local Resilience Forum undertaking an audit of countywide fuel storage capacity and an assessment of data storage.
- 14.4 It was
- RESOLVED** That the risks contained within the Corporate Risk Register be **NOTED**.

The meeting closed at 3:57 pm