

## **CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting of the Corporate Governance Committee held in COUNCIL CHAMBER, COUNTY HALL, RUTHIN LL15 1YN on Wednesday, 25 January 2017 at 9.30 am.

### **PRESENT**

Councillors Peter Duffy, Martyn Holland, Alice Jones and Jason McLellan (Chair) together with Lay Member Paul Whitham

Councillor Bobby Feeley, Lead Member for Social Care, Adult & Children's Services  
Councillor Julian Thompson-Hill, Lead Member for Finance, Corporate Plan and Performance.

### **ALSO PRESENT**

Head of Legal, HR & Democratic Services (GW), Head of Education and Children's Services (KIE), Principal Education Support Manager (GD), Head of Finance (RW), Head of Internal Audit (IB), Head of Highways & Environmental Services (TW), Traffic, Parking and Road Safety Manager (MJ) and Committee Administrators (SLW and SJ)

Wales Audit Office Representatives – Anthony Veale and Gwilym Bury.

#### **1 APOLOGIES**

Apologies for absence were received from Councillors Stuart Davies and Win Mullen-James

#### **2 DECLARATION OF INTERESTS**

Councillors Martyn Holland and Jason McLellan declared personal interests as they were both school Governors.

#### **3 URGENT MATTERS**

No urgent matters had been raised.

#### **4 MINUTES**

The minutes of the Corporate Governance Committee held on 23 November 2016 were submitted.

#### **Accuracy –**

**Page 5: Declarations of Interest** – the Chair referred to his declaration of interest as he “is” an employee of the Welsh Government and not “was” an employee.

The Chair commended the minutes as it had been a long meeting and the minutes detailed all the discussions which had taken place.

***RESOLVED** that, subject to the above, the minutes of the meeting held on 23 November 2016 be received and approved as a correct record.*

## **5 INFORMATION MANAGEMENT AND IT MANAGEMENT IN SCHOOLS**

The Principal Education Support Manager, introduced the report (previously circulated) to provide an update on the work undertaken in response to the report shared on 28 September, 2016 which provided details on Information Management and IT Management in schools that received a “Low” Assurance rating.

Information was provided as to how the Council was implementing improvements in the way schools were managing information since the issue of the Internal Audit report which had given a Low Assurance. The Corporate Governance Committee had requested a progress report to ensure issues were being addressed.

Improvements had been made through the implementation of a Statutory Audit Tool completed by all schools. The tool provided the schools and the Local Authority with information on the levels of assurance in different areas. The Audit process had been clear in highlighting targeted support in certain areas and with certain schools.

The content of the Information Management Audit was to be reviewed in July 2017, and sent out to schools again in September 2017. Both sets of results would be compared with an expectation that the improvements highlighted had been made.

The Information Commissioners Office were scheduled to deliver training to Head Teachers and Business Managers on 9 February, 2017. Training was also delivered on an annual basis to Governors.

A new Social Media Policy had been in consultation with the Trade Unions and would be distributed following agreement.

Further visits were to be undertaken to schools and there was an expectation, following a future audit, that all schools would be showing as green (Good / Excellent Quality). If not, schools would be questioned as they had been given all the information and provided with training. Schools had a responsibility to ensure processes were in place to fit in with legislative requirements.

***RESOLVED** that the Committee note the report and a further progress report to be presented at Corporate Governance Committee on 27 September 2017.*

## **6 CHILD PRACTICE REVIEW**

The Head of Education and Children’s Services introduced the report (previously circulated) to provide an update on the work undertaken in response to the report shared in July 2015 which provided members with details from the Child Practice Review regarding the tragic death of a Denbighshire child.

It had been stated at the July 2015 meeting the importance of the Committee receiving a reassurance that the Action Plan for the Child Practice Review had been fully implemented. The purpose of the Review had been to establish whether there were lessons to be learnt about the way in which professionals worked together to safeguard children and to identify those lessons and improve practice.

During discussion it was stated it was important to stress that the Local Authority were mindful and sensitive to the family at this time. There were lessons to be learnt which would need to be taken forward. It was confirmed that those functions would be supported as early intervention, as prevention was the key.

Members were in agreement that it had been an unfortunate accident which had led to a horrific loss of a child.

**RESOLVED** that the Committee noted the report and Action Plan and that no further action would be required by the Committee.

## **7 JOINING EDUCATION AND CHILDREN'S SERVICES UPDATE**

The Head of Education and Children's Services introduced the report (previously circulated) to provide information on the progress made in the joining of Education and Children's Services. The two services had previously been operating as a single service but had joined together in January 2016.

In September 2014, there had been proposed changes to the Council's organisation structure which included the joining together of the Education Service and the children and Families Service to create a new service – Education and Children's Services.

The main outcome of the change had been an immediate improvement of the work between different groups. The new Service's promptness to respond to the needs of children and young people in the county, to ensure their safety and supporting them in attaining their potential through education and social opportunities had been extremely effective.

There was a joint Management Team with one service business plan. Objectives were recognised and it had brought positive benefits to the children and young people within Denbighshire.

Members expressed their approval of the joining of the two services together with their appreciation to the Head of Education and Children's Services and her staff for all their hard work.

**RESOLVED** that Members considered and noted the update regarding the Joining of Education and Children's Services.

## **8 SCHOOL FINANCE REGULATIONS REPORT (UPDATE)**

The Head of Finance, introduced the report (previously circulated) to provide an update regarding financial regulations in place across Denbighshire schools.

Further to a Corporate Governance meeting on 15 June 2016, a report had been presented on proposed updates to the Authority's own Financial Regulations. During discussions at the meeting, a question had been raised regarding Financial Regulations in Schools and whether they worked to the Authority's own Financial Regulations.

A survey had taken place of all Denbighshire schools, results of which were shown in Appendix 1 of the report. Responses had been received which revealed all Denbighshire schools worked within the Denbighshire's Scheme for Financing Schools. The Scheme contained requirements relating to financial management and associated issues and was binding on both the Authority and schools.

During discussion the issue regarding school Governors arose and whether they were given guidelines on the Financial Regulations. It had been confirmed that the information would be generated through the school Finance or Business Manager but the Governors would be required to approve the regulations.

At this juncture, the Head of Education and Children's Services explained the Local Authority together with the Business and Finance Managers, met on a regular basis and that this item would be added on to the next Agenda for discussion. Meetings between Headteachers and the Local Authority took place on a term basis. Schools should be ensuring that their regulations were reviewed periodically and that staff and Governors were aware of them.

The Head of Internal Audit confirmed that his staff did a separate report in 2016 and developed a new set of guidance, the draft of which would be available in approximately one weeks' time. The draft guidelines were to go out to cluster for their opinion as they were required to be in place by April 2017.

The Internal Audit Department did not audit Denbighshire schools but the Head of Internal Audit suggested a quality control exercise could be carried out.

The Chair, Councillor Jason McLellan requested that the school funds guidance be presented to the Scrutiny Chairs and Vice Chairs group for discussion at a Scrutiny Committee.

It was agreed that School Finance Regulations be added to the 29 November 2017 work programme for an update report.

***RESOLVED*** that the report be noted and an update be added to the Forward Work Programme in November 2017 for further discussion.

## **9 NOTIFICATION OF THE CERTIFICATION OF THE 2015/16 ACCOUNTS**

The Lead Member for Finance, Corporate Plan and Performance, Councillor Julian Thompson Hill introduced the report (previously circulated) to provide the Committee with formal notification that the audit certification process for 2015/16 Statement of Accounts had been completed.

Following public inspection of the accounts an objection had been raised from a member of the public to the Wales Audit Office on 27 September 2016.

It could now be confirmed that all correspondence had been concluded and matters resolved. None of the objections raised under the public inspection process resulted in changes to the figures or supporting notes disclosed in the 2015/16 accounts.

**RESOLVED** that Members noted that the audit certification process had been formally concluded in respect of the 2015/16 Statement of Accounts.

## 10 TREASURY MANAGEMENT REPORT

The Head of Finance introduced the report (previously circulated) which showed how the Council would manage its investments and its borrowing for the coming year and set out the Policies within which the Treasury Management function operated. The report also outlined the likely impact of the Corporate Plan on the strategy and on the Prudential Indicators. The Treasury Management Update Report provided details of the Council's Treasury Management activities during 2016/17.

The Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management (the "CIPFA TM Code") required the Council to approve the Treasury Management Strategy Statement (TMSS) and Prudential Indicators annually. The Corporate Governance Committee were required to review the report prior to its approval at Council in February 2017.

Financial planning and decision making ensured that proper regard was given to the requirements of the Wellbeing of Future Generations Act.

During discussion the following points were raised:

- The Council set aside money each year to repay debt – Minimum Revenue Payment (MRP). The MRP Policy received an annual review.
- The Corporate Governance Committee had responsibility for scrutiny of the treasury management function. Annual training requirements would be agreed with the Committee.
- The Department of Communities and Local Government (CLG) had confirmed that HM Treasury (HMT) would be taking the necessary legislative steps to abolish the Public Works Loan Board. The CLG stated that it would have no impact on existing loans held by Local Authorities or the Government's Policy on Local Authority borrowing.
- It was confirmed that the Treasury Management Report would be presented at full Council in February 2017.

**RESOLVED** that the Committee note the Treasury Management Strategy Statement for 2017/18, the Prudential Indicators 2017/18 to 2019/20 and the Treasury Management Update Report 2016/17

**At this juncture (11.25 a.m.) there was a 20 minute break.**

**The meeting reconvened at 11.45 a.m.**

It was agreed by all present to vary the order of the remaining items of the Agenda.

## **EXCLUSION OF PRESS AND PUBLIC**

***RESOLVED** that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972.*

### **11 PARKING SERVICES AUDIT - SECOND UPDATE REPORT**

The Traffic, Parking and Road Safety Manager, introduced the confidential report (previously circulated) to provide an update on the remedial actions taken since the publication of the Parking Services Audit in August 2016, and the initial update report that was presented to this Committee in November 2016.

The remedial actions were confirmed to Committee members.

The Chair, Councillor Jason McLellan, expressed thanks to the Traffic, Parking and Road Safety Manager in the fact that all the actions had been carried out and no further update would be required to the Corporate Governance Committee.

***RESOLVED** that the Committee note the contents of the report and confirm no further update would be required to the Corporate Governance Committee.*

**At this juncture, the meeting reverted back to PART 1**

**The press and public are invited to attend this part of the meeting.**

### **12 CORPORATE RISK REGISTER REVIEW, DECEMBER 2016**

The Strategic Planning Team Manager introduced the report (previously circulated) to summarise how the Corporate Risk Register was monitored and managed and, therefore, represented an annual report for Corporate Governance Committee to consider how the Corporate Risk Register was managed in the Authority.

A formally updated version of the Corporate Risk Register had been agreed at Cabinet Briefing 9 January 2017 and would be presented for consideration at Performance Scrutiny on 26 January 2017.

The Corporate Risk Register was formally reviewed twice yearly by Cabinet and CET. However, any significant new or escalating risks were brought to the attention of CET (via the Strategic Planning Team) as and when they were identified. CET then took a view as to whether the risk should be included in the Corporate Risk Register.

**RESOLVED** that the Committee note how Corporate Risk is managed in the Authority.

### **13 WEST RHYL COASTAL DEFENCE SCHEME UPDATE**

The Head of Internal Audit introduced the report (previously circulated) with an update for the Committee on progress with implementing the action plan that formed part of Internal Audit's report arising from its review of West Rhyl Coastal Defence Scheme Phase 3.

The original Internal Audit report on West Rhyl Coastal Defence Scheme Phase 3 was discussed at the Committee meeting of 27 April 2016, where the Committee requested an update on implementing improvements in January 2017.

It was confirmed that, in the future, if an amber result was produced by Internal Audit, then it would be the responsibility of the service to present a report to the Corporate Governance Committee together with explanations.

The process had worked extremely well in relation to the West Rhyl Coastal Defence Scheme.

The Head of Highways and Environmental Services (HofH&ES) responded to the Independent Member, Paul Whitham's query regarding Risk 4 – Procurement training and assurances this would not be overlooked. The content of the training was to be reviewed and the training would be planned and available from February.

The HofH&ES confirmed a great deal of work had been undertaken to attend to the issues and robust procedures were now in place. He confirmed he now had a lot more confidence in the processes of the service.

The Chair, Councillor Jason McLellan confirmed the Committee were satisfied the risks had been identified, actioned and completed and no further update would be required by the Committee.

**RESOLVED** that the Committee note the report and progress made to date and were satisfied no further update would be required.

### **14 INTERNAL AUDIT UPDATE**

The Head of Internal Audit introduced the report (previously circulated) to provide an update on Internal Audit's latest progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement.

The report provided information on work carried out by Internal Audit since the last Committee meeting. It allowed the Committee to monitor Internal Audit's performance and progress as well as providing summaries of Internal Audit reports so that the Committee could receive assurance on other Council services and corporate areas.

Follow up of previous Internal Audit reports were to be monitored and measured to improve the follow up timings.

At this juncture, the Head of Internal Audit informed the Committee that he would be leaving the Authority in May and his replacement, Lisa Lovegrove, had been appointed. Lisa was currently on maternity leave and due back in June 2017.

Councillor Alice Jones and the Committee wished him good luck for the future.

**RESOLVED** that the report be received and noted.

## **15 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME**

The Corporate Governance Committee Forward Work Programme was presented for consideration and members noted the following additions –

- 27 September 2017 - Information Management and IT Management in Schools
- 29 November 2017 - School Finance Regulations

**RESOLVED** that, subject to the above additions, the Corporate Governance Committee's forward work programme be approved.

**The meeting concluded at 12.30 p.m.**