

## **CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 29 November 2017 at 9.30 am.

### **PRESENT**

Councillors Mabon ap Gwynfor, Tony Flynn, Martyn Holland (Vice-Chair), Alan James, Barry Mellor (Chair) and Joe Welch

Lay Member Paul Witham

Councillor Julian Thompson-Hill, Lead Member for Finance, Corporate Plan and Performance.

Councillor Huw Hilditch-Roberts, Lead Member for Education, Children and Young People.

Councillor Emrys Wynne attended as an observer.

### **ALSO PRESENT**

Head of Legal, HR & Democratic Services (GW), Head of Finance (RW), Head of Education and Children's Services (KE), Principal Education Manager (GD), Chief Internal Auditor (LL), and Committee Administrator (SJ).

Wales Audit Office Representatives –Gareth Evans and Gwilym Bury.

### **1 APOLOGIES**

None

### **2 DECLARATIONS OF INTEREST**

Councillors Tony Flynn, Martyn Holland, Barry Mellor, Mabon ap Gwynfor, Emrys Wynne, Huw Hilditch- Roberts and Julian Thompson- Hill declared personal interests in agenda items 5 and 6 as they were school Governors.

Councillor Alan James declared a personal interest in agenda item 5 as his daughter was Head of a school in financial difficulty.

Councillor Joseph Welch declared a personal interest in agenda item 5 as he was the parent of a child attending a Denbighshire County Council school.

Lay Member Paul Witham declared a personal interest in agenda item 5 as he was the Grandfather of a child at one of the schools listed in the report.

### **3 URGENT MATTERS**

No urgent matters were raised.

## 4 MINUTES

The minutes of the Corporate Governance Committee held on the 27 September 2017 were submitted.

### **Accuracy –**

It was noted that Lay Member Mr Paul Whitham was in attendance at the meeting.

### **Matters Arising –**

Item 10 Loggerheads Car Park Project - Councillor Martyn Holland requested that his concern regarding the high level of contingency with this development and the formula used to calculate the contingency amount be noted. Lay Member Paul Witham requested clarification on the definition of Contingency and this be circulated to members as stipulated in the minutes.

The Head of Legal, HR and Democratic Services confirmed he would check and inform Members of the Committee.

**RESOLVED** that subject to the above, the minutes of the Corporate Governance Committee be received and approved as a correct record.

## 5 SCHOOLS IN FINANCIAL DIFFICULTY

Councillor Julian Thompson-Hill Lead member for Finance, Performance and Strategic Assets, introduced the report (previously circulated) to explain the Council's policy and approach to working with schools in financial difficulty.

Councillor Thompson-Hill guided members through the report. Reference was made to the progress chart (within appendix 1, previously circulated) which demonstrated the process for challenging and supporting schools finances. Clarification was given regarding the stages where Local Authority intervene and the steps in which follow.

Concerns were heard regarding the number of schools in financial difficulty. It was confirmed that the number of schools in financial difficult had reduced over recent years. Denbighshire County Council had been highlighted as one of the Local Authorities in the highest deficit.

The Head of Education and Children's Services (HECS) explained that decisions in respect of managing school budgets go through the school budget forum. Decisions were made through a high level of conversation and deliberation. The Head of Finance (HOF) reiterated the process is in place to challenge and support schools to manage a 3 year rolling budget. There is continual monitoring of the process and schools' budgets.

During discussion the following matters were raised:

- Redundancy- It was confirmed that the method of paying redundancy money had changed in 2012. Schools were now responsible for funding any redundancies.

- The School Budget Forum- the HECS confirmed that the formula for determining School budgets is scrutinized by the School Budget Forum (SBF). The forum is attended by HESC, HOF, representative School Head Teachers, Lead member for Education, Children and Young People and representative Officers. Good work had been done on strengthening the Forum proactively working together to improve school finances,
- Engagement between officers and schools was vital to try and improve finances before any action was necessary. Officers worked closely with schools and know the running of schools. GwE supply feedback from involvement with schools. The duty to provide the best level of education to young people in Denbighshire was reflected in the improved exam results.
- A robust Governors' forum designed to engage and communicate with governors had aided in the understanding of the process in place. A number of vacancies for school governors was observed.

The chair thanked officers for the work that had been put into developing and monitoring schools. He concluded that pupil attainment and the education and welfare of Denbighshire's young people is vital.

**RESOLVED** from a unanimous show of hands the Corporate Governance Committee receive the report and note its contents.

## **6 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 and further evidence provided on January 25 2017 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 second progress report to update members, issues were being addressed.

The Information Commissioners Office had completed training to Head Teachers and Business Managers on 9 February, 2017. Training was also delivered to School Governors. Further training had been offered on Data Security which was held on 15 February 2017.

Further training will be scheduled when the new GDPR (General Data Protection Regulations) are in place may 2018.

The development of a regional on-line audit toolkit that allowed schools and the Local Authority to monitor support and challenge had taken place. The PEM confirmed each school had access to the toolkit to complete audits and assign tasks to individuals to certain deadlines. School staff, Local Authority and School Governors can monitor progress and improvements, support offered when needed. Schools have adopted the toolkit well and positive outcome and work had been observed. Links to Denbighshire Website to policies and procedures had been

included on the toolkit to allow Schools a direct link to relevant pages for information. Training to all individuals working with the toolkit was provided. The overall control of the toolkit would be assigned to the school toolkit which would enable that individual to assign and monitor work completed.

The Head of Education and Children's Services informed the committee that the toolkit which was developed by officers of Denbighshire has since been adopted by the 6 North Wales Counties and is working effectively.

Concerns were raised by Councillor Emrys Wynne regarding the collection of confidential waste. The Monitoring Officer confirmed that contractors were in place for the removal of confidential waste and additional collections could be arranged if needed,

**RESOLVED**, that the Corporate Governance Committee note the report and an update report be presented to Corporate Governance Committee in 6 months.

At this junction (11:45 a.m.) there was a 10 minute break

Meeting reconvened at 11:55 a.m.

## **7 ANNUAL RIPA (REGULATION OF INVESTIGATORY POWERS ACT 2000) REPORT**

An information report was submitted (previously circulated) on the Council's use of its powers of surveillance under RIPA (Regulation of Investigatory Powers Act 2000).

The Head of Legal, HR and Democratic Services (HLHD) provided an overview of RIPA and explained how powers under that Act could be used by the council together with the processes in place. There had been no activity in the use of these powers since the last report to the Corporate Governance Committee. Regular in-house training sessions were provided to officers using those powers with the next session planned for 30 March 2017. A refresher training event is to be provided to the Council's Authorising Officers next year to enable them to effectively challenge and scrutinise any application.

The HLHD explained to members, surveillance is the last resort. All other avenues and methods have to be exhausted prior to authorisation for surveillance be granted.

The Chair thanked the HLHD for the update.

**RESOLVED** that the Annual RIPA (Regulation of Investigatory Powers Act 2000) report be received and noted.

## **8 ANNUAL WHISTLE BLOWING REPORT**

A report by the Monitoring Officer (MO), which provided information relating to the operation of the Council's Whistleblowing policy since the last report brought to Corporate Governance Committee in July 2016.

The report had been submitted in accordance with the Council's Whistleblowing Policy (WP), which contained a requirement that the MO bring a report to the Corporate Governance Committee at least once a year on the operation of the Policy and any changes in practice introduced as a result of concerns raised under the Policy. The report covers the period from 14<sup>th</sup> July to date, in this period there had been no concerns raised under the whistleblowing policy.

The MO confirmed in March 2017 SLT agreed to a 'whistleblowing e-learning module' be mandatory for all employees of Denbighshire County Council. The e-learning should be ready to launch in January 2018.

In response to concerns raised by lay member Paul Witham, the MO confirmed he would clarify contractors were aware of how to access the policy online.

***RESOLVED***, that the Corporate Governance Committee receive the annual report and note its contents.

## **9 INTERNAL AUDIT PROGRESS REPORT**

The Chief Internal Auditor (CIA), introduced the Internal Audit update report (previously circulated) updating members on the Internal Audit 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. The CIA guided members through the reports which provided an update as at November 2017 on:

- Internal Audit reports recently issued
- Follow up of previous Internal Audit reports
- Progress on Internal Audit work to date in 2017/18
- A summary of upcoming Internal Audit projects
- Internal Audit performance Standards

The following matters were raised during debate-

- Petty Cash - November 2017- The CIA explained petty cash from school activity clubs such as breakfast club, afterschool clubs had caused confusion. The CIA explained that an action plan had been developed to enable the council to manage the risks associated with petty cash accounts. The Council accounts for cash from different areas within the council such as car parks and public conveniences with specific controls in place to manage them. However, an assessment of petty cash had been requested in relation to school monies e.g. breakfast clubs, and a report would be presented back to the Corporate Governance Committee in 6 months' time.
- Managing the risk of fraud and corruption - November 2017 – The CIA confirmed that the council committed to a zero tolerance approach to fraud and corruption. A few areas of improvement had been found which would be easily overcome. Council Housing Tenancy Fraud will be subject to review as part of phase 3 of the review.

- Concerns were raised regarding the number of follow up reports – The CIA explained that reports are escalated to Heads of Service where there is a concern with progress made.

The Chair thanked officers for the detailed report and responses to concerns raised by members.

**RESOLVED**, that the Corporate Governance Committee receive the update report and note its contents.

## **10 ANNUAL GOVERNANCE STATEMENT - ACTION PLAN UPDATE**

The Chief Internal Auditor (CIA) submitted a report (previously circulated) updating members on progress in implementing the governance improvement plan that accompanied the Annual Governance Statement 2016/17.

The CIA informed members that all actions were progressing forward and in a timely manner and all were on course to meet deadlines.

**RESOLVED** that the Corporate Governance Committee receive the report and note its contents.

## **11 INTERNAL AUDIT SELF-ASSESSMENT STANDARDS**

The Chief Internal Audit (CIA) submitted a report (previously circulated) providing members the results of the internal audit self-assessment against the Public Sector Internal Audit Standards.

The CIA explained the development of a quality assurance and improvement programme to evaluate conformance with the standards had been completed. The programme aided the monitoring of the internal audit effectiveness and identified opportunities for improvement.

The CIA confirmed to members the overall results from the self-assessment had been positive. Appendix 1 demonstrated to members the highlighted areas included in the Quality Assurance & Improvement Action Plan.

An external assessment by the chief audit executive of Gwynedd County Council will be carried out in spring 2018, in accordance with the standards.

**RESOLVED** that the Corporate Governance Committee receive the report and note its contents.

## **12 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME**

The Head of Legal, HR and Democratic Services informed the Committee that the date of the next meeting may change.

The Corporate Governance Committee's Forward Work programme (FWP) (previously circulated) was presented for consideration.

The Committee confirmed the Corporate Governance FWP subject to the following amendments:-

24 January 2018-

- Annual Treasury Management Strategy
- Closure of the Statement of Accounts
- Fleet Management- Follow up
- CIPFA (Audit Committee Practical guidelines)

25 April 2018-

- Internal Audit Strategy
- Draft Annual Governance Statement
- Internal Audit Annual Report

11 July 2018-

- Draft Statement of Accounts

26 September 2018-

- Approval of Statement of Accounts

21 November 2018-

- Annual RIPA (Regulation of Investigatory Powers Act 2000)
- Annual Whistle Blowing Report

***RESOLVED*** that, subject to the above, the Corporate Governance Committee approves the Forward Work Programme.

**The Meeting concluded at 13:05 p.m.**