

CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Thursday, 27 July 2017 at 9.30 am.

PRESENT

Councillors Mabon ap Gwynfor, Martyn Holland, Alan James and Barry Mellor.

Observer Councillor Emrys Wynne.

ALSO PRESENT

Legal Services Manager (LJ), Head of Finance (RW), Chief Accountant (SG) Chief Internal Auditor (LL), Senior Auditor (NW), Corporate Health and Safety Manager (GL), Business Information Team Manager (CB), Finance Officer (KO) and Committee Administrator (SJ).

Wales Audit Office Representatives – Gwilym Bury and Michelle Phoenix.

1 APOLOGIES

Apologies for absence were received from Councillors Tony Flynn and lay member Paul Whitham.

Apologies for absence were received from Councillor Julian Thompson-Hill in his role of Lead Member for Finance, Performance and Strategic Assets.

2 APPOINTMENT OF CHAIR

Nominations were sought for a Member to serve as the Committee's Chair for the ensuring year. Councillor Alan James nominated Councillor Barry Mellor, seconded by Councillor Martyn Holland. No other nominations were received and it was therefore;

RESOLVED that Councillor Barry Mellor be appointed as the Corporate Governance Committee's Chair for the ensuring year.

3 APPOINTMENT OF VICE CHAIR

Nominations were sought for a Member to serve as the Committee's Vice Chair for the ensuring year. Councillor Alan James nominated Councillor Martyn Holland, seconded by Councillor Mabon ap Gwynfor. No other nominations were received and it was therefore;

RESOLVED that Councillor Martyn Holland be appointed as the Corporate Governance Committee's Vice Chair for the ensuring year.

4 DECLARATION OF INTERESTS

Councillors Mabon ap Gwynfor, Martyn Holland and Barry Mellor declared personal interests in agenda item 8 as they were school Governors.

5 URGENT MATTERS

No urgent matters were raised.

6 MINUTES

The minutes of the meeting of the Corporate Governance Committee held on 22 March 2017 were submitted.

***RESOLVED** that the minutes of the meeting held on the 22 March 2017 be received and approved as a correct record.*

7 WALES AUDIT OFFICE ANNUAL IMPROVEMENT REPORT

The Wales Audit Office representative (GB) introduced the report (previously circulated) and explained its contents. He explained the report had been created to summarise audit work by the Wales Audit Office (WAO) including studies on Governance, Information Management and the use of resources. The report was overall very positive about the Council with no significant recommendation for change. Six proposals for improvement were included in the report which the WAO representative expanded on.

The report which was seen at full Council was received by members and agreed that the proposals for improvement be monitored. The Chair thanked the WAO for their hard work.

***RESOLVED** that the Corporate Governance Committee receives the report and notes its contents.*

8 CORPORATE HEALTH AND SAFETY ANNUAL REPORT

The Corporate Health and Safety Manager (CHSM) presented the Annual Health and Safety report (previously circulated) providing members with an update on the Health and Safety management within the Council from the perspective of the Corporate Health and Safety team.

The CHSM guided members through the report advising it provided an annual summary of issues identified and discussed over the last year. During consideration of the report the following matter was discussed in more depth-

Accident Statistics-

Statistics for the past year show the same number of RIDDOE reportable incidents as the year before. The CHSM explained this was a pleasing statistic. There was no trend found in relation to incidents reported.

The CHSM informed members of the legal requirement to report incidents, but some minor incidents could be reported on a local level, which the Health and Safety team would not investigate.

Monitoring within schools had changed with areas of education such as design technology being carefully monitored. In-house training had been provided to staff and the CHSM was happy of the level of training for staff in schools.

Members of the Committee thanked the CHSM for the report and the detail involved in making the report comprehensible. The Chair thanked the Health and Safety team for their hard work.

RESOLVED that the Corporate Governance Committee receive the report, note its contents and endorse the Corporate Health and Safety team Work plan for 2017/18.

9 DRAFT STATEMENT OF ACCOUNTS 2016/2017

A report by the Chief Accountant (CA), which provided an overview of the draft Statement of Accounts 2016/17 and the process underpinning it, had been circulated previously.

The Council had a statutory duty to produce a Statement of Accounts that compiled with approved accounting standards. The audited had to be formally approved by members on behalf of the Council and this role has been delegated to Corporate Governance Committee. The draft accounts had been finalised and signed by the Head of Finance on the 13th June. The draft accounts had been made available for audit as required and would be open to public inspection from 10th July to the 7th August 2017.

The Chief Accountant provided a detailed summary of Appendix 1, Statement of Account 2016/17 the following areas were discussed.

Schools- The CA explained to members 2016/17 had been a difficult year for schools. Changes to pensions had caused issues. Careful monitoring of schools was adhered to, with support given to schools where funds were negative to regain surplus funds.

Social care- Reserve funds had been used during 2016/17 so pressure for Social care to replenish reserve funds was a pressure.

Council Tax- An assessment of Council tax to predict income over the next year was established. The Head of Finance informed members as a County we had a high percentage of Council tax collection.

Following in-depth discussions the committee wanted to thank the Head of Finance, Chief Accountant and team for the work they had completed to deadlines and offered thanks for the detailed response to questions presented.

The CA encouraged members if they had any further questions or queries regarding the report to contact him direct. He informed the committee the Statement of Accounts was a key element of the Council's Government framework and it was important to provide an assurance that the accounts had been produced in

compliance with the relevant standards. The final audited accounts would be presented to the Corporate Governance Committee for approval at the 27th September committee meeting.

RESOLVED that the Corporate Governance Committee receive the report and notes the position as presented in the draft accounts appendix 1 to the report.

10 ANNUAL TREASURY MANAGEMENT REPORT

A report by the Head of Finance had been circulated previously. The Head of Finance (HOF) AND Chief Accountant (CA) provided a detailed summary of the report and appendices 1 and 2.

The term 'Treasury Management' includes the management of the Council's borrowing, investments and cash flow. Approximately £0.5 bn passed through the Council's bank accounts every year, and the Council's outstanding borrowing at 31 March 2017 was £184.73m at an average rate of 4.94% and the Council held £1.2m in investments at an average rate of 0.14%.

The Head of Finance explained to the Committee how risky Treasury Management was but the Council was monitoring and controlling these risks. The latest internal audit review had been positive with no significant issues raised.

The following responses were provided to issues raised by members of the committee-

- The total amount of borrowing included debt over 10years old. The loan portfolio is monitored and were feasible any debts are paid off, with additional loans being taken out at the opportune time.
- Work would continue to monitor treasury management and be reported to Corporate Governance Committee.

The Chair thanked the Finance department for the report and time invested in monitoring treasury management.

RESOLVED that the Corporate Governance receives the report and notes

- The performance of the Council's Treasury Management function during 2016/17, and its compliance with required prudential indicators as reported in the Annual Treasury Management Report 2016/17, appendix 1 to the report.*
- The Committee confirmed it had read, understood and taken into account the well being assessment.*

11 ANNUAL SIRO REPORT

A report by the Head of Business improvement and modernisation had been previously circulated. The Business information Team Manager (BITM) gave apologies on behalf of the Head of Business improvement and modernisation and presented the report to the Committee.

The report covered the period April 2016 to March 2017, detailed breaches of the data protection act by the Council which had been subject to investigation by the Senior Information Risk Officer (SIRO). It covered complaints about the Council relating to Freedom of Information legislation which had been referred to the Office

of the Information Commissioner (ICO) and provided information about Access to Information/ Freedom of Information requests made to the Council.

There had been no significant breaches of the Data Protection Act in the Council during the 2016/17 year. There had been a total of 5 instances of less serious incidents, details of the breaches was explained by the BITM to members. Of the five incidents one was reported to the ICO but no action was deemed necessary by the ICO. As a consequence of the outcomes of the ICO's investigation there had been recommendations to develop a formal policy on staff removing client information/ data out of the office. The Committee was informed this policy recommendation was in the process of being created and implemented.

A summary of Freedom of information (FOI) AND Environmental Information Regulation (EIR) requests had been included in the report. Table 1 provided details of the numbered completed requests for 2014/15 to 2016/17. The FOI and EIR requests were concentrated on specific areas predominately business related or from individuals. The most frequent over the last 12 months had been incorporated in a table in appendix 1. The BITM confirmed that managing FOI and EIR requests continued to present a resource cost to the Council.

In response to questions from members regarding the number of individual FOI and EIR requests the BITM confirmed individuals who submit requests where information is readily available on the internet are directed to the relevant information. If a number of requests were made regarding a particular piece of information, where possible this would be made available for the public to access.

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

12 INTERNAL AUDIT PROGRESS REPORT

The Chief Internal Auditor (CIA) introduced the 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. It allowed the committee to monitor Internal Audits performance and progress as well as providing summaries of Internal Audits reports.

The CIA guided members through the reports which provided an update as at the end of June 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-

- Concern regarding the number of outstanding issues – the CIA explained these were being monitored and work was being done to resolve.

- The upcoming projects the Internal Audit had scheduled was received by the Committee and praised.

The CIA added the Internal Audit Progress report was a standing item for Corporate Governance Committee to receive. To allow Internal Audit work and reports to be monitored and debated upon. The CIA was pleased with the performance of the Internal Audit to Date.

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

13 FLEET MANAGEMENT

The Chief Internal Auditor (CIA) introduced the report (previously circulated) which provided an update on progress in implementing the Action Plan that accompanied the Internal Audit Report on Corporate Fleet Management in October 2015.

The CIA presented the report which provided information on how the Council was implementing improvements in fleet management. The Internal Audit follow up action plan appendix 1 indicated progress had been made with implementing the issues and risks identified by Internal Audit.

Of the 13 issues raised in the original Audit in 2015, 11 had been successfully resolved, which included developing a new transport policy and improvement to Health and Safety driver checks. Work was still underway to resolve the outstanding 2 issues. The CIA was confident these would be resolved and was satisfied with the progress to date.

In reply to concerns raised regarding controls of fuel stocks and fuel cards the CIA explained work was being done to monitor fuel cards and declarations being made by drivers for fobs to be used for business use only. The CIA informed the committee the fleet master system now held more valuable information that was easily available and monitored.

RESOLVED that the report be received by the Corporate Governance Committee and its contents noted.

14 INTERNAL AUDIT ANNUAL REPORT

The Chief Internal Auditor (CIA) introduced the report (previously circulated) which provided details of the Internal Audit Annual Report for 2016/17. It provided the overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk and control during the year which informed the 'Annual Governance Statement'.

The CIA referred to the 27 audit reports completed during the year and confirmed that only 1 audit review had been identified in the low assurance category. The CIA reassured the Committee the 'Parking Services' report that had received the low assurance was being monitored by internal audit. Councillor Mabon ap Gwynfor asked that information regarding the major issue raised within the 'Corporate

Priority Assurance: Developing the Local Economy' report be circulated to members and the update from any audit reviews completed regrading this report.

RESOLVED that,

(i) the Chief Internal Audit's Annual Report and overall 'opinion' be received and noted, and

(ii) an update of any follow up work in relation to the 1 low assurance report be circulated to members.

15 ANNUAL GOVERNANCE STATEMENT REPORT

A report by the Chief Internal Auditor (CIA), which provided the self- assessment report on the Council's governance and improvement arrangements for 2017/17 had been circulated previously.

The annual governance and improvement statement 2016/17 included a self- assessment of the Council's governance arrangements and displayed areas of improvement during the previous financial year. It highlighted any weaknesses in an action plan which the committee would monitor to ensure implementation of improvements. The CIA informed members that no significant issues had been raised this year, continued monitoring and updates would continue in the upcoming year.

RESOLVED that the Corporate Governance Committee receives the report and reviewed its contents.

16 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

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

The Committee confirmed the Corporate Governance Committee Forward Work Programme subject to the amendment of the following report:-

29 November 2017:-

Information Management and IT Management in Schools rescheduled from 27 September 2017.

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

The meeting concluded at 11.40 a.m.