

CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 6 June 2018 at 9.30 am.

PRESENT

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

Lay Member Paul Whitham

Councillor Julian Thompson Hill, Lead Member for Finance, Performance and Strategic Assets was in attendance.

Observer - Councillor Meirick Lloyd Davies

ALSO PRESENT

Head of Legal, HR & Democratic Services (GW), Chief Accountant (SG), Chief Internal Auditor (LL), Internal Auditor (BC),), Head of Education and Children Services (KE), Principal Manager - Modernising Education (GD), Planning and Resources Manager (IL), Legal Services Manager (LJ), Legal and Procurement Operations Manager (HM) and Committee Administrator (SJ)

Wales Audit Office Representative –Gwilym Bury

1 APOLOGIES

Apologies for absence were received from Wales Audit Office representatives Anthony Veale and Michelle Phoenix.

2 APPOINTMENT OF CHAIR

Nominations were sought for a Member to serve as the Committee's Chair for the ensuing 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 ensuing year.

3 APPOINTMENT OF VICE CHAIR

Nominations were sought for a Member to serve as the Committee's Vice Chair for the ensuing year. Councillor Barry Mellor nominated Councillor Martyn Holland, seconded by Councillor Alan James. 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 ensuing year.

4 DECLARATION OF INTERESTS

Councillors Martyn Holland, Tony Flynn, Mabon ap Gwynfor and Meirick Lloyd Davies declared a personal interest in Agenda item 7 – Denbighshire's 2018 Estyn Inspection outcomes, as they were school Governors.

5 URGENT MATTERS

No urgent matters were raised.

6 MINUTES

The minutes of the Corporate Governance Committee held on the 25 April 2018 were submitted.

Item 9- Internal Audit Annual Report - Lay member Paul Witham stated a clerical error. The minutes should read 'Members asked for assurance that returns of investments had been investigated'.

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

7 DENBIGHSHIRE'S 2018 ESTYN INSPECTION OUTCOMES

The Head of Education and Children Services (HECS), introduced the outcomes of Denbighshire's 2018 Estyn Inspection report (previously circulated).

The HECS guided members through the report. Reference was made to the vigorous and robust inspection process, including the work officers had completed to obtain information and reports in preparation of the inspection. The HECS stated she was elated with the overall outcome of the inspection and gave thanks and praise to all officers and departments that had contributed and supported the team during the inspection.

The outcomes assessed against Estyn's new inspection framework were highlighted to members from within the report. It was emphasised that Denbighshire was one of only two authorities to receive excellent for leadership in the last round of inspections. The HECS explained, Estyn had identified the strong moral compass that Denbighshire had demonstrated in providing for young individuals in the county. Following the successful merger between Education and Children Services, Estyn had asked Denbighshire officers to complete a case study to illustrate the process followed to demonstrate to other authorities. Overall the HECS stated that the inspection had been an intense process but the outcome had been positive and rewarding.

During discussion the following matters were raised:

- Members congratulated the HECS and officers for the outstanding outcome of the inspection. Praise was given to all the departments involved. Members were pleased Estyn had highlighted the work that the authority had completed and ongoing work to engage with schools, parents and young individuals.
- Out of County Monitoring – The HECS confirmed that monitoring of children in out of County placements had occurred. The inspection had highlighted the monitoring of the commissioned services that provide services. Members heard that there was a limited number of third party providers available when researching out of County placements. As an authority the child's wellbeing and development had been the main priority.
- Fixed-term exclusions rate – The HECS confirmed that the rate of fixed term exclusions observed had been high with the number of permanent exclusions having been low. The education officers had been working with schools to address the issues. Emphasis had been made that a good working relationship with schools and head teachers had been established, which created a positive working relationship to obtain the best resources and outcomes for Denbighshire's children.
- Discussions with the link officer to address concerns raised in the inspection report were to take place. The HECS confirmed monitoring of young children in or out of county had taken place and required further explanations from Estyn to fully comprehend what they had based their findings on.
- Work on the recommendations from the investigation had been scheduled. Progress would be monitored and analysed to be escalated through the scrutiny process allowing evidence to be presented to present work carried out. An action plan to address the recommendations was due to be developed in September following a follow up meeting with the Estyn link investigating member.
- Home Schooling –The complexity around the choice to home educate children was highlighted. Working relationships with other professionals had been observed. The HECS praised the work of officers, it had been clearly highlighted in the report that work in this area was a particular strength.

The Chair thanked the HECS and officers for the report. He congratulated the department for the progress made in ensuring Denbighshire's children had the best education, with all resources made available to them. The result of the inspection had been a reflection of the work carried out by the HECS and officers and was to be applauded.

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

8 INTERNAL AUDIT UPDATE

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 May 2018 on:

- Internal Audit reports recently issued i.e. Project management and Joint Procurement Service;
- Progress on Internal Audit work to date 2018-19;
- Quarterly update on Counter Fraud Work; and
- Update on Internal Audit Performance against set standards

The following matters were discussed in more detail –

- Project Management – May 2018 – The CIA guided members through the review of Project Management, it was explained the review had covered governance arrangements, risk management, monitoring and reporting on the project. The CIA stated governance arrangements in the 21st Century Schools Programme were inadequate, a gap in the management of projects had been highlighted. Clear guidance needed to be provided to project managers of when reports had to be escalated to be scrutinised. Outcomes of the actions raised would be presented back to the Corporate Governance Committee. Overall the CIA explained that a number of positives had been observed. Lay Member Paul Witham stated he was pleased to see work had been completed in this area, and that lessons could be adopted to future projects. He stated project management is essential in the delivery of high standards which was echoed by the CIA.
- Joint Procurement Service – May 2018 – The CIA explained that a detailed report had been included as an agenda item later in the meeting and details would be discussed at that juncture.
- Progress with Counter Fraud Work – The CIA guided members through the data. It was highlighted that 5 referrals had been made from 2018-19 to date and all were ongoing. The CIA clarified the information had been included to show transparency, with any outcomes presented to the committee upon completion of investigations.

The Chair thanked the officers and Internal Audit for the report.

RESOLVED that the Corporate Governance Committee receive the update report and an update on the Project Management of 21st Century Schools be included in the Committee Forward Work Programme following update.

At this junction (10:45 a.m.) there was a 15 minute break.

Meeting reconvened at 11:00 a.m.

9 CIPFA PRACTICAL GUIDANCE FOR AUDIT COMMITTEES 2018

The Chief Internal Auditor (CIA), introduced the CIPFA Practical Guidance for Audit Committees 2018 report (previously circulated) to enable members to assess themselves against the core knowledge and skills framework outlined in the report.

The CIA proposed that a task group of three members including the Chair and Vice Chair be established to analyse the effectiveness of the committee. The CIPFA guide had included a self-assessment which the CIA requested members to complete. The outcome of the assessment would form the basis of training needs and further development needs for members.

The Chair expressed his agreement in a task group to establish needs and knowledge. The imperative role the Corporate Governance Committee provided in scrutinising reports needed to remain at a high standard. The Chair asked members to complete the self-assessment to allow the task group a base to expand upon. Members were in agreement that a task group be established.

Members discussed the number of members on the Corporate Governance Committee. The Monitoring Officer explained that no restrictions or laws were in place to restrict the number of elected members on the committee. A change in the constitution would need to be approved by County Council for any changes to occur. An increase to the number of Lay Members on the Committee could also be investigated. Previous restrictions and rules that had applied to who was eligible to be on the committee had been lifted. Lay Member Paul Witham emphasised that the Corporate Governance Committee in Denbighshire had one of the fewest member numbers. Paul Witham suggested that the committee revisited the terms of reference when completing the self-assessment.

The Monitoring Officer highlighted to members the formed task group would assess the terms of reference during its meeting. It was agreed by members that the Chair (Councillor Barry Mellor), Vice Chair (Councillor Martyn Holland) and Councillor Mabon ap Gwynfor formulate the task group.

The Chair thanked the Monitoring Officer and CIA for the report and guide. He reminded members to complete the self-assessment.

RESOLVED, that the

- *Corporate Governance Committee receive the report and note its contents;*
- *Members undertake the self-assessment based on the CIPFA template and;*
- *Councillor Barry Mellor, Councillor Martyn Holland and Councillor Mabon ap Gwynfor form a task group to analysis the effectiveness of the committee and any additional training requirements.*

10 INTERNAL AUDIT OF THE JOINT CORPORATE PROCUREMENT UNIT

The Chief Internal Auditor (CIA), introduced the report (previously circulated) providing members with details of the Internal Audit report on the Joint Corporate Procurement Unit that had received a 'Low' assurance rating.

The Lead Member for Finance, Corporate Plan and Performance with the Legal and Procurement Operations Manager and Legal Service Manager guided members through the Audit report.

The Lead Member welcomed the report and recognised the issues that it had raised. Work to address the governance issues had been addressed with further

work scheduled. Members were informed training for staff was scheduled to raise the profile of procurement and the high level of buy in.

It was proposed by the Monitoring Officer (MO) to inform the Senior Leadership Team of the report and its findings. The MO gave members some background information to work that had occurred to date, this included the appointment of the Legal and Procurement Operations Manager. Praise was given to the amount of work that had taken place since the appointment to obtain robust procedures in procurement. The MO assured the committee that the audit report and its findings had been raised at the Service Challenge meeting and a report with recommendations was to be escalated.

During the debate members discussed the following:

- Both authorities had to impress upon services the need to buy in to the work of the collaborative unit. Knowledge and understanding was vital to improve interest. Members agreed that the report did not show the potential outcomes for collaborative working, and work to resolve the issues was needed.
- Scrutinising of the subject matter and the joint working arrangement had not been sufficient.
- The MO confirmed the Legal and Procurement Operations Manager had identified the work officers had done to increase the profile of procurement. This in turn would enable departments to have knowledge of the unit and work more effectively.
- Discussions between both authorities to establish an ongoing relationship were taking place. Transparent communication had been imperative to work positively in the future.
- The Legal Service Manager (LSM) confirmed that a meeting with Flintshire was scheduled to discuss future collaborative working. A stronger method of scrutinising work and findings at an early stage of procurement was required.
- The Wales Audit Office representative stated scrutiny arrangements and governance needed to be in place from the onset. The authority had procedures in place to scrutinise that should have been followed to prevent audits of services receiving a low assurance. Monitoring of joint working needed to take place henceforth.

Members requested that an update to the report be included in the forward work programme to update the committee on work completed, this was to include any update received from Scrutiny Chairs and Vice Chairs. The Chair thanked the officers for the transparent audit report and for the Joint working relationship with Flintshire County Council. The Committee acknowledged the work that had been completed but felt the need to monitor the governance arrangements was evident.

RESOLVED, that the Corporate Governance Committee;

- I. Receives the report and notes its contents and*
- II. An update on the Joint Procurement Unit be included in the committees Forward Work Programme.*

11 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:-

11 July 2018 -

- The Wales Audit Office report on Scrutiny arrangements.
- CIPFA guidance update

21 November 2018 –

- Annual report on the Constitution (rescheduled from 11 July meeting)
- An update to Project Management of 21st Century Schools outcomes (tbc)

January 2019-

- An update on the Joint Procurement Unit

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

The meeting concluded at 12:25 p.m.