

CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 26 September 2018 at 9.30 am.

PRESENT

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

Lay Member Paul Whitham

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

Observer: Councillor Mark Young

ALSO PRESENT

Head of Legal, HR & Democratic Services (GW), Head of Finance (RW), Chief Internal Auditor (LL), Head of Business Improvement & Modernisation (AS), Corporate Health and Safety Manager (GL), Lead Officer – Strategic Asset Management (TB), Lead Officer - Contracts & Facilities (NH), Lead Officer - Community Housing (GD), Cleaning Manager - South & Public Convenience/Void Cleaning (MJ) and Committee Administrator (SJ)

Wales Audit Office Representatives –Anthony Veale, Gwilym Bury and Gareth Evans.

1 APOLOGIES

Apologies for absence were received from Councillor Tony Flynn.

2 DECLARATION OF INTERESTS

Lay member Paul Witham declared a personal interest in agenda item 5 – Annual Health and Safety report as reference to the school his Granddaughter attended was within the report.

3 URGENT MATTERS

No urgent matters were raised.

4 MINUTES

The minutes of the Corporate Governance Committee held on 11 July 2018 were submitted.

Agenda item 9 – Internal Audit of Health and Safety in Schools – Members noted that the minutes should read ‘governance of health and safety in schools lay with the school governors’ and not ‘lied’ as stated in the report.

RESOLVED that subject to the above, the minutes of the Corporate Governance Committee meeting of 11 July 2018 be received and approved as a correct record.

5 ANNUAL HEALTH AND SAFETY REPORT

The Lead member for Finance, Performance and Strategic Assets presented the Annual Health and Safety Report (previously circulated). The Lead Member stated the overall assessment for the health and safety team had been yellow, with a good history of health and safety works in Denbighshire.

The Corporate Health and Safety Manager (CHSM) guided members through the Annual Health and Safety report 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 advised the report had 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 detail-

Accident Statistics –

The CHSM confirmed that communication with officers and Denbighshire employees to report incidents had continued. The number of incidents reported had gone up due to more individuals and teams reporting incidents to the health and safety team. Advice and guidance had been given to all schools to aid in reporting incidents. The responsibility of reporting incidents remained with the school. The high number of incidents reported in the Nova centre in Prestatyn, had been observed as staff had reported all incidents that occurred. The majority of incidents that had been reported had been observed in the children’s play centre. The CHSM confirmed he was pleased to see incidents reported as it demonstrated staff had training on the process. Work had continued to secure the multi-story car park in Denbigh. CCTV systems had been updated and the lower levels of the car park secured at night to prevent individuals accessing the site. Work with the car park team had continued.

Work to improve the safety at Rhyl Library had continued. An increase in incidents reported at the site had been observed following the introduction on the one stop shop and revenues and benefits office. Work with the local police and residents had commences.

A large amount of work around health and safety in schools had continued. Site visits had continued at schools and guidance issued to head teachers. Members proposed a letter be sent to all schools to highlight the importance of reporting incidents and to maintain a positive working relationship with the health and safety team in Denbighshire. Also in response to the Internal Audit report on Health and Safety in Schools.

The Chair thanked the Corporate Health and Safety Manager for the report and for the clear responses to member questions.

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 and*
- *a letter be sent to all schools to highlight the need to report incidents.*

6 WAO - ANNUAL AUDIT ENQUIRIES 17/18

The Head of Finance introduced the Audit Enquiries 2017/18 report (previously circulated) to inform Members of the Council's response.

Wales Audit Office (WAO), as Denbighshire County Council's appointed external auditors, had a duty to obtain evidence of how management and those charged with governance (Corporate Governance Committee) were discharging their responsibilities for preventing and detecting fraud.

The details of the responses of both management (Head of Finance) and Corporate Governance Committee (Chair of Committee) were set out as an appendix to the report.

In summary the responses set out the Council's approach to the following areas of governance:

- Management processes in place to identify and mitigate against the risk of fraud.
- Awareness of any actual or alleged instances of fraud.
- Processes to gain assurance that all relevant laws and regulations have been complied with.
- Whether there is any potential litigation or claims that would affect the financial statements.
- Processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The WAO representative Anthony Veale, explained the responsibility of WAO to ask questions and report to Corporate Governance. It was confirmed that no issues with the responses had been raised.

The Chair thanked the Finance department and the WAO for the work they had done.

RESOLVED, that the Chair of the Corporate Governance Committee formally confirmed the responses included in Appendix 1 to the report.

7 APPROVAL OF STATEMENT OF ACCOUNTS

The Lead Member for Finance, Performance and Strategic Planning, introduced the Approval of Statement of Accounts 2017/18 report (previously circulated) to be formally approved by elected members on behalf of the council.

The council had a statutory duty to produce a statement of accounts that complied with approved accounting standards.

The financial statements for 2017/18 were approved, subject to audit, by the Head of Finance on 15 June 2018. The draft accounts were presented to Corporate Governance on 11 July 2018 and were open to public inspection from 9 July to 3 August 2018.

The Head of Finance guided members through the report and thanked the numerous officers and teams for the work that had been put into the completion of the accounts in line with the new time frames. Work had continued to improve the Asset Register to improve and ensure a robust procedure in the future.

The WAO representative echoed the praise and congratulated officers for the work completed. Anthony Veale the WAO representative introduced the Wales Audit Office - Audit of Financial Statements Reports. He informed members of the process and timescale involved in producing the reports. It was stated that all recommendations had been included within the report including the work on the Asset Register with progress to date noted. The issues surrounding the Asset Register had been noted and a work plan to address the issues had been established.

General discussion took place, during discussions members noted the importance of the new timescales and the difficulty faced in ensuring these would be met in future years. It was highlighted that no public representations had been received this year. Budget commitments to the previous Corporate Plan had been stored in the Corporate Plan reserves and would remain there until required year on year. Questions regarding the 'Travelodge' site in Rhyl were raised. The Head of Finance confirmed that funding to complete works at the site for development had to take place to ensure flood levels were adequate for work. He was hopeful a return on the land in rent would be achieved.

The Chair expressed appreciation on behalf of the Committee for the work undertaken by the Finance Officers and the Wales Audit Office.

The Head of Finance expressed his thanks to Anthony Veale, WAO. Members were informed that Anthony would no longer represent WAO at Denbighshire. Praise was given to him for his contributions to the Committee and good wishes for his new position.

Anthony Veale thanked the committee for the support that had been given during his time working alongside members and officers.

RESOLVED that:

- *the Corporate Governance Committee approve the Statement of Accounts 2017/18, which is Appendix 1 to the report, and*
- *the Chair and Head of Finance Officer sign the Accounts and the Letter of Representation.*

8 BUDGET PROCESS UPDATE

The Lead member for Finance, Performance and Strategic Planning, introduced the Budget Process report (previously circulated). He confirmed that over the last twelve months, 4 member budget briefing sessions had taken place. The Lead member guided committee members through the report, it was highlighted that a board be established to,

- Define and deliver a Medium Term Financial Strategy to the end of 2022/23
- Ensure a balanced budget can be set each financial year within the programme
- Support the delivery of Corporate Priorities
- Provide a managed approach to becoming a smaller, well-run council

It had been decided to refer to the board as the Reshaping the Council Board. The Terms of reference of the board had been included as appendix 1 to the report. The non-decision making board included senior officers and Lead members.

The Head of Finance (HOF) confirmed the board had been created to ensure Denbighshire delivered a balanced budget. The report provided members with an overview of the process. The HOF confirmed that any periodic updates of the board or process would be presented to the committee.

Members requested that the date of the proposed next briefing session be decided and circulated as soon as agreed.

The Chair and committee members welcomed the report and thanked the officers for the work to date.

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

At this junction (11:05 a.m.) there was a 10 minute break.

Meeting reconvened at 11:15 a.m.

9 WAO 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. The WAO representative expanded on the proposals for improvement that had been included in the report. Members agreed that the proposals for improvement be monitored.

During consideration of the report the following matters was discussed in more depth-

- Damp and condensation in properties – Further work into the complex area of damp and condensation in properties was highlighted. Members suggested the WAO report ‘Service User Perspective Review’ be presented at the next Chairs and Vice-Chairs meeting for further discussion. The Housing Officer welcomed the report from WAO and confirmed work had commenced to address conditions the community had reported.
- Cabinet Members work- Members highlighted the work of Cabinet Members presented at Cabinet. Observations were discussed regarding the difference in the number of reports presented by different Cabinet members. The Monitoring Officer confirmed that the report had been discussed by the Leader at the previous Chairs and Vice- Chairs of Scrutiny meeting as it related to Scrutiny. Members were informed that the Leader had discussed the report with Cabinet Members.

The Chair thanked the WAO and officers for presenting the Annual Work report.

RESOLVED that,

- I. the Corporate Governance Committee received the report and notes its contents and*
- II. The ‘WAO Report – ‘Service User Perspective Review’ be presented at the next Chair and Vice- Chair group meeting for discussion.*

10 INTERNAL AUDIT UPDATE

The Chief Internal Auditor (CIA) introduced the report (previously circulated) updating members on the Internal Audit Team’s 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.

The CIA guided members through the reports which provided an update as of September 2018 on –

- Internal audit reports recently issued i.e. Catering Services;
- Progress on Internal Audit work to date in 2018-19;
- Progress on counter fraud work;
- Results of the National Fraud Initiative 2016-17 exercise; and
- Update on Internal Audit performance against set standards.

The following matters were discussed in more detail –

- The level of sample checks on the VERTO system – the CIA confirmed that no set limit on the number of samples checked had been set.

- Schools with voluntary school fund certificates - Preparation into school visits had commenced. The CIA explained that due to staff changes schools had overdue certificates, some dated from 2011. A summary report would be presented back to the committee once visits had concluded.
- Cross checking and monitoring of the single person discount scheme for council tax had continued. Members agreed that it continued to be a difficult area to manage.
- Housing tenancy fraud – The CIA confirmed that work on Housing tenancy fraud had been scheduled for this year.
- Free school meals in schools – a team had been established to go to schools to discuss and work with schools and parents in meal arrears. The CIA confirmed that work to reduce the level of arrears was ongoing. Children in schools would continue to have a meal provided. Members were pleased to observe work with schools and parents had been adopted to minimise arrears.

The CIA concluded with an update on the CIPFA guidance for Audit Committees. Members were guided through a PowerPoint presentation of progress made to date. It was confirmed that -

- A CIPFA Guidance Working group had met in June 2018
- Self-assessment had been distributed to committee members and responses received
- Review of Terms of reference – to compare existing terms to recommended terms by CIPFA.

Members were pleased to receive the update and information to date. Further updates and information would be presented to members as needed.

The Chair thanked the CIA for updating members on progress to date.

RESOLVED that the Corporate Governance Committee receive the Internal Audit update report and note its contents, and note the contents on the CIPFA update.

11 UPDATE REPORT - PUBLIC CONVENIENCES

The Chief Internal Auditor (CIA) introduced the report (previously circulated). The report provided members with information relating to the implementation of the action plan that accompanied the Internal Audit report on Public Conveniences in April 2018.

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

All four issues raised in the original Audit have now been successfully resolved. Improvements carried out to income collection, reconciliation and security arrangements, also mean that the risk of fraud occurring or going undetected had been reduced, guidelines had been put in place to direct correct practices.

The CIA confirmed improvements had been carried out resulting in the Internal Audit assurance rating being increased from a low to high.

Members were pleased with the progress made. Praise was given for the hard work in improving public conveniences following the report. Confirmation that new policies and procedures had been produced and shared with officers.

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

12 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

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

The Monitoring Officer informed members that the Annual RIPA Report due at the next Corporate Governance Committee meeting may have to be deferred. A new method of assessment had been introduced, thus meaning the relevant information for the report may not be available for the next meeting. The Monitoring Officer stated confirmation would be given closer to the date of the next meeting.

The WAO confirmed the dates for the 2019 meetings were in line with the final dates for approval of statement of accounts but would need to be monitored and amended in subsequent years.

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

The meeting concluded at 12:35 p.m.