

**CORPORATE GOVERNANCE COMMITTEE
PRESENT**

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

Lay Member Paul Whitham

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

ALSO PRESENT

Head of Legal, HR & Democratic Services (GW), Chief Internal Auditor (LL) and Committee Administrator (SJ).

Wales Audit Office Representatives – Gareth Evans.

1 APOLOGIES

Apologies for absence were received from Councillor Barry Mellor

2 DECLARATION OF INTERESTS

Councillor Tony Flynn declared a person interest in agenda item 5 – Internal Audit Update – as he was a landlord of properties in Denbighshire.

3 URGENT MATTERS

None.

4 MINUTES

The minutes of the Corporate Governance Committee held on 26 September 2018 were submitted.

Agenda item 5 – Annual Health and Safety Report – Confirmation that a letter had been sent to schools to highlight the importance of incident reporting. To date it was reported that no response had been received. The Monitoring Officer confirmed that it had been proposed as an agenda item on the next 'Heads Federation meeting'. The Chair encouraged members that were school governors to monitor and stress its importance.

Agenda item 8 – Budget Process Update – A budget Briefing had been held in November 2018.

Agenda item 9 – WAO Annual Improvement Report – Members sought the outcome following the 'Service User Perspective Review' report presented to Chair and Vice-Chair Committee group. The Monitoring Officer confirmed the report was presented

at the Chairs and Vice-Chairs Committee group. It was determined that a report be presented to Performance Scrutiny in March 2019 to debate.

Agenda item 10 – Internal Audit Update – It was confirmed all schools with several outstanding voluntary school fund certificates had been visited. The Chief Internal Auditor stated that an update would be available at the next Committee meeting.

RESOLVED that subject to the above, the minutes of the Corporate Governance Committee meeting of 26 September 2018 be received and approved as a correct record.

At this juncture it was agreed to vary the order of the Agenda.

5 EXTERNAL ASSESSMENT OF INTERNAL AUDIT

The Lead member for Finance, Performance and Strategic Assets presented the External Assessment of Internal Audit Report (previously circulated). The Lead member guided members through the report. It was explained that The Public Sector Internal Audit Standards (PSIAS) introduced a requirement for an external assessment of internal audit services to be conducted at least once every five years by a qualified independent reviewer. The assessment had been conducted by the Audit Manager from Gwynedd County Council and was attached to the report (Appendix 1 previously circulated).

The Lead Member was satisfied that Denbighshire's Internal Audit service had demonstrated work to a high standard and the findings highlighted in the report would be rectified.

The Chief Internal Auditor (CIA) stated she was pleased with the outcome of the report and work on the action points raised had begun.

During debate the following points were discussed in more detail –

- Flexible audit plan ensures that audits with highest priority are reviewed. Although this does not comply with PSIAS, the approach had been adopted by other authorities and organisations and is a recognised audit approach to ensure that audit resource is targeted where there is greatest need.
- The monitoring of the action plan proposed would be presented to the committee as part of the Annual Internal Audit Report in 2019.

Members congratulated the Audit team for the high standard of work.

RESOLVED that,

- the Corporate Governance Committee receive the report, note its contents and monitor the implementation of actions to address the recommendations during future reports, and
- the 'Internal Audit Annual Report' be added to the Forward Work programme for June 2019.

6 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 October 2018 on –

- Internal audit reports recently issued i.e. Housing Rents and Welsh Transport Grants;
- Progress on Internal Audit work to date in 2018-19;
- Progress on implementing agreed actions from assurance projects;
- Update on Internal Audit performance against set standards; and
- Update on progress with the CIPFA Good Practice for Audit Committees.

The following matters were discussed in more detail –

- Housing Rents – September 2018 – The CIA confirmed the timing of the audit had been appropriate following the implementation of Universal Credit. Confirmation that the four moderate risks/issues could be rectified in the service.
- The Chair stated it would be interesting to monitor the figures of arrears written off following the implementation of Universal Credit.
- Confirmation that work had continued to recover arrears was provided. The Housing department continued to monitor housing rent arrears data.
- Praise was given to officers for the work that had been completed prior to the implementation of Universal Credit for a smooth roll out across the County.
- It was highlighted that 3 moderate risks/ issues within the Welsh Transport Grants - November 2018 audit had been raised. Concerns of noncompliance of conditions of the grant were heard. Gareth Evans (WAO representative) stated that Welsh Government had not requested information on post-delivery monitoring plan, the potential to request information could be presented at any time. The Chair highlighted the importance of monitoring conditions being met in relation to grant funding. It was confirmed that Wales Audit Office had been responsible for monitoring of grants obtained. Gareth Evans stated he had hoped to present a report to the Committee on grant funding in the future.
- Updates to the Terms of Reference was scheduled to be presented at the January meeting of the Corporate Governance Committee meeting.

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. Thanks to the WAO representative were heard for his contribution to the discussion.

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

7 ANNUAL GOVERNANCE STATEMENT

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 2017/18.

The CIA informed members that all actions were progressing forward and in a timely manner.

The Chair asked if an updated chart of the Heads of Service and members of the Senior Leadership Team could be circulated to members. The Monitoring Officer confirmed once updated to include all amendments a copy would be made available for members.

Monitoring of the contracts register had continued. Criteria had remained in place for new contracts and adhered to. Member's emphasised the importance of strong client management to monitor contracts.

Members highlighted the importance of post completion monitoring of projects.

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

8 UPDATE REPORT - PROJECT MANAGEMENT OF 21ST CENTURY SCHOOLS

The Chief Internal Auditor (CIA) introduced the report (previously circulated). The report provided members with information relating to progress in implementing the major risk action relating to Project Management of 21st Century Schools that accompanied the Internal Audit Update report presented to the Committee in June 2018.

The original audit report raised a major risk issue in relation to the governance of the 21st Century Schools Programme, the CIA confirmed that it was no longer considered to be a major risk. A report had been presented to the Young People and Housing Board, the report had detailed the re-establishment of the Modernisation Programme Board. The CIA confirmed that following the new board it had been felt the governance and controls in place had been strengthened.

Members heard that work had progressed on the draft project management guidance report. The draft guidance was to be presented to the Senior Management Team for approval prior to circulation to officers with a project management duty.

The following concerns were discussed further-

- Members questioned where the responsibility for the payment of debt from the two schools that had amalgamated to form the new Faith school in Rhyl lay. The CIA stated it could be included in the audit of the new school and be reported back to the committee at a later date.
- The introduction on the Modernisation Programme Board would permit officers from different services to support the large projects. The project still had a project manager to oversee the work progression. Constant dialogue with officers and contractors continued.
- Gareth Evans (WAO representative), explained that 21st century schools projects had been significantly funded by Welsh Government and would be audited by both Denbighshire County Council and Wales Audit Office.

Members were pleased with the progress made. The Chair thanked officers for the update report.

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

9 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

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

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

23 January 2019 –

- Annual report on the Constitution to include the Terms of Reference
- Annual RIPA report. Including inspection report.

16 March 2019 –

- An additional review of the Forward Work Programme.

05 June 2019 –

- Internal Audit Annual Report

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

10 ANNUAL REPORT ON WHISTLE BLOWING

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 November 2017.

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 30th November 2017 to 31st October 2018, in the period there had been two concerns raised under the Policy.

The MO confirmed work had been anticipated to commence in the coming year to include the development of a microsite for leadership and the Council's new induction process which will enable the highlighting of key policies and changes that have been made. This will be another tool which will help to maintain awareness of the policy.

The Chair highlighted the importance of staff knowledge and the culture for reporting concerns within the Council.

The MO confirmed there were policies and procedures for school Governors to raise any concerns.

EXCLUSION OF PRESS AND PUBLIC

In order to address the concerns raised under the Whistle Blowing policy and discuss of the confidential appendix it was –

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the grounds that it would involve the disclosure of exempt information as defined in Paragraph 13 of Part 4 of Schedule 12A of the Act.

The MO provided members with a brief background to the two concerns that had been raised. It was confirmed that all bodies including outside parties would investigate the concerns raised in the two cases.

The MO confirmed the dates in the appendix were the dates on which the concerns are received by the MO. Both concerns were complex and thorough investigations were taking place.

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

The meeting concluded at 11:25 a.m.