

## **CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1A, County Hall, Ruthin on Wednesday, 10 April 2019 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 Whitham

**Observer** – Councillor Meirick Lloyd Davies

### **ALSO PRESENT**

Head of Legal, HR and Democratic Services (GW), Chief Finance Officer (RW), Chief Internal Auditor (LL), Strategic Planning Team Manager (NK) Committee Administrator (RTJ).

Wales Audit Office Representatives – Gwilym Bury and Matthew Edwards.

#### **1 APOLOGIES**

None received.

#### **2 DECLARATION OF INTERESTS**

No declarations of interest were raised.

#### **3 URGENT MATTERS**

No urgent matters.

#### **4 MINUTES**

The minutes of the Corporate Governance Committee meeting held on 6 March 2019 were submitted.

Matters Arising –

- The governance in schools was raised and how the hopeful outcome of the e learning and training sessions only increasing by 5%, made the pf reaching of 100% completion by November unlikely.
- The CIPFA Practical Guidance questionnaire breakdown was queried as to whether it had been circulated. The Chief Internal Auditor (CIA) responded stating that it had been an oversight and would be circulated to members following the meeting.

- Concerns with non-report related items such as members training that were not being monitored due to them not being noted in the forward work programme. It was agreed that the matter would be discussed at the end of the meeting.

**RESOLVED** that the minutes of the Corporate Governance Committee meeting held on the 6 March 2019 be approved as a correct record.

## **5 ANNUAL GOVERNANCE STATEMENT 2018-19**

The Chief Internal Auditor (CIA) introduced the report (previously circulated) which was to demonstrate good governance. The Council was required to show that it was complying with the core principles set out in the revised Framework for Delivering Good Governance in Local Government (Wales) 2016 edition. The Annual Governance Statement (AGS) was prepared using a self-assessment and reports on the Council's governance and improvement arrangements for 2018-19; along with progress in addressing the improvement actions contained within the AGS 2017-18.

It was a statutory duty to publish an AGS in compliance with the Accounts and Audit (Wales) Regulations 2014; which would allow the committee the opportunity to comment on this years 'annual governance statement'.

The Annual Governance Statement 2018-19 (Appendix 1) was developed by performing a self-assessment of the Council's governance arrangements against the Framework for Delivering Good Governance in Local Government (Wales) 2016 edition. This was conducted by an officers group representing the key governance functions from across the Council. The AGS referenced various evidence sources and assurance sources such as the Internal Audit Annual Report, External Audit reports, and risk registers. Members were made aware that the AGS was concise and aimed to give a flavour of the work required.

The CIA guided members through the Annual Governance Statement 2018-19; the following matters were discussed –

- Review of Effectiveness and the Review and update of the Money Laundering Policy. It was queried which areas in the Council raised concerns in respect of money laundering. It was clarified that the policy had been recently updated. Money laundering was the concealment of the origins of illegally obtained money. The policy was for members of staff to raise any concerns with suspicious actions by members of the public.
- Another query with regards to the Review of Effectiveness section and the lack of a timetable within the report. It was clarified that it would be included in the updated report which would be returning to the committee in November.
- The AGS 2018-19 was commended as a document and it was suggested that the document could be circulated to all elected members to raise awareness of the work that the Corporate Governance Committee carry out.
- Training was raised and whether lay members would be included in training organised for the committee. The CIA agreed to explore the training

requirements, for all members of the committee, no training had been arranged, but the CIA would look into training for lay members.

- The Internal Audit review of Contract Management in 2018/19 was queried what timescale was allowed for the work to be completed Responding it was stated that the work would be completed as long as it would take basis.

**RESOLVED** – that the Corporate Governance Committee approves the draft annual governance statement for 2018-19 and notes the progress made on the action plan from 2017-18

## **6 WAO AUDIT PLAN 2019-20**

The Chief Finance Officer (RW) introduced the report (previously circulated) on the 2019 Audit Plan Denbighshire County Council which had been prepared by the Wales Audit Office (WAO). The report sets out the planned programme of work for both the WAO's financial audit and performance audit programme. The report also dealt with matters such as the fee for the work, details in respect of the audit team and the timetable for the work.

The Wales Audit Office (WAO) representatives (ME) and (GB) gave a summary of the contents of the 2019-20 Audit Plan – Denbighshire County Council, which included –

- Audit of accounts
- Performance audit
- Certification of grant claims and returns
- Fee, audit team and timetable
- Future developments to the audit work

The WAO representatives provided the committee with an overview of the contents of the report. During discussions the following matters were raised –

- There had been changes to the audit team, Derwyn Owen was the new Engagement Director and Engagement lead. Matthew Edwards was the new Financial Audit Manager. Another change not highlighted in the report was that Jeremy Evans would be replacing Sara-Jane Byrne as the Performance Audit Manager; due to an internal restructure.
- It had been identified that two WAO officers had family members working within the Council and following a risk assessment they would not be allowed to audit work in relation to the departments where families worked.
- The Social Services budgetary and cost pressures were raised and how thorough a review would be carried out. It was clarified that the review would not look at the quality of work carried out, but the budgetary pressures. A meeting would be organised with senior management and discuss Social Services budgetary and cost pressures with the aim to develop a project brief. It was suggested that a verbal update could be returned to Corporate Governance at a later date.
- Municipal Recycling was queried in terms of whether the review would take the changes to waste collection by the Council into consideration. It was

explained that the WAO would look review waste arrangements and how the Council engages with communities on recycling and whether the Future Generation Act was taken into consideration during the work.

The Committee commended the Wales Audit Office Representatives for the report

**RESOLVED** that the committee note the content of the report.

## **7 WAO REPORT ON USE OF DATA IN DENBIGHSHIRE COUNTY COUNCIL**

The Strategic Planning Team Manager (SPTM) introduced the WAO report (previously circulated) on the Use of Data by Denbighshire County Council. There had been a review of the usage of data nationwide and the report focused on the usage of data within Denbighshire.

The committee was assured that many of the key issues with data usage were common issues for many counties across Wales. The key issues highlighted in Denbighshire were - Vision, Leadership and Culture, Data Protection, Skills and Capacity; and Evidence-based decisions.

A data audit had been carried out which identified areas where data was stored. The Council had complied with the Data Protection Act 2018 which required that data was kept secured and monitored. Data sharing protocols were in place, and 97% of Council staff had completed the mandatory GDPR training.

The following matters were discussed in more detail –

- Communication between Departments was highlighted as a concern, and the sharing of data. It was queried why some departments could not share information amongst themselves; and if data could be shared with third parties. It was stated that information could be shared if the correct process was followed; this applied to third parties as well.
- The GDPR training was queried as to whether the training was available for elected members and lay members, it was not known whether the training was available for members and the SPTM would circulate information about this.
- Data sharing was reiterated as a concern in regards to sharing with external bodies, especially with the recent raise in cybercrime. It was asked whether Denbighshire could ensure that the data was kept secure whilst being shared. Data protection was taken very seriously by the Council with many protective measures in place by the IT department, and information being transferred would also be protected.
- Members were reminded that data was only collected for a reason, and those whose data was collected would be made aware of that reason, and whether the information would be shared.

**RESOLVED** that the committee note the content of the report.

## **8 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME**

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

The committee scrutinised the FWP and wondered whether any items could be deferred to alleviate the heavy agenda at the June meeting. No items were deferred. It was clarified that the 'Service Challenge – Service report' and 'Summary of the Alternative Delivery Model' would discuss the same matters and therefore the 'Alternative Delivery Model' could be removed from the FWP.

In respect of Training for members it was queried whether members could attend a pre briefing session prior to meetings which had large issues to debate. Members agreed that pre briefing sessions would be beneficial and a good use of time for officers and members.

It was suggested that the forward work programme could be scrutinised to identify items which could benefit from members briefing prior to the meeting. In July there was a treasury report, it was deemed that training was not be required until the full report would be brought back to the committee in November. The safeguarding report which was scheduled for July was deemed as being appropriate to hold a briefing session.

Members raised training was carried regularly for elected members, but it was deemed that additional training could be beneficial to Corporate Governance members. An agenda management session was deemed as being beneficial for members. (GW to liaise with Democratic Manager to arrange training dates)

The name of the committee was raised, and why the auditing aspect of the meeting was not in the name. It was stated that the Council could change the name of the committee, and in a white paper it was suggested that the Committee could be called the Corporate Governance and Audit Committee. The committee could request a name change in its annual report to Council.

05 June –

- The appointment of chair and vice chair would be added due to the meeting being held in the next municipal year.

Future items –

- Schools with financial issues could be discussed in the autumn.
- Use of capital contingency was also to be included on the forward work programme in the autumn.

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