

## **CORPORATE GOVERNANCE COMMITTEE**

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

### **PRESENT**

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

Lead Members- Councillor Bobby Feeley and Councillor Julian Thompson-Hill

### **ALSO PRESENT**

Legal Services Manager (LJ), Head of Finance (RW), Chief Accountant (SG), Chief Internal Auditor (LL), Internal Auditor (SD), Head of Business Improvement & Modernisation (AS), Head of Community Support Services (PG), Head of Highways and Environmental Services (TW), Project Manager (EP), Works Unit Manager (AC) and Committee Administrator (SJ).

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

#### **1 APOLOGIES**

Apologies for absence were received from Councillors Alan James

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

No declarations of interest.

#### **3 URGENT MATTERS**

No urgent matters were raised.

#### **4 MINUTES**

The minutes of the Corporate Governance Committee held on the 27 July 2017.

Matters arising:

Annual SIRO report: Mr P Whitham questioned when the formal policy on staff removing client information out of the office was likely to be completed. In response to the question officers stated that the policy is currently being created with the hopes for implementation April 2018.

Fleet Management: in response to a question raised by Mr P Whitham, the officers confirmed an update report would be presented to Corporate Governance Committee in January 2018.

**RESOLVED**, that subject to the above, the minutes be received and approved as a correct record.

## **5 AUDIT ENQUIRIES 2016/17**

The Head of Finance introduced the Audit Enquiries 2016/17 report (previously circulated) to inform Members of the Council's response.

Wales Audit Office (WAO), as DCC'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. He confirmed that WAO had no issues with any of the responses.

The Chair of the committee thanked both the Finance department and 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.

## **6 APPROVAL OF STATEMENT OF ACCOUNTS**

The Chief Accountant, introduced the Approval of statement of Accounts 2016/17 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 2016/17 were approved, subject to audit, by the Head of Finance on 13 June 2017. The draft accounts were presented to Corporate

Governance Committee on 19 July 2017 and open to public inspection from 10 July to 4 August.

The Chief Accountant informed members that work was ongoing in relation to the Asset Register. The finance team had done some market research into an alternative ledger system. Councillor Martyn Holland welcomed the work that had been done in relation to asset management and concluded that a system that works well would be beneficial.

The Wales Audit Office (WAO) had worked closely with the Finance team to ensure the timely and successful finalisation of the audit. The WAO representative Anthony Veale introduced the Wales Audit Office - Audit of Financial Statements Report. He informed members of the process and timescale involved in producing the reports and praised the work done by the Finance department and WAO to complete all audits before deadlines.

General discussion took place and Councillor Mabon ap Gwynfor asked for further explanation in to the table provided in relation to reserves and the decreases seen over the last 12 months. The Head of Finance explained to members that the table showed the movement in reserves throughout the year and that a reduction in reserves was not negative. The Chief Accountant informed members that meetings within departments to discuss reserves and balances happened to ensure a robust method for the use of reserves was adhered to. A report on Council reserves was produced for each Cabinet meeting which detailed the use of reserves and asked for Cabinet member's decision as to the use and allocation of reserves.

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

***RESOLVED that:***

- *the Corporate Governance Committee approve the Statement of Accounts 2016/17, which is Appendix 1 to the report*
- *the Chair and Head of Finance Officer sign the Accounts and the Letter of Representation.*

## **7 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 at September 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-

- Investment in maintaining and improvement in roads – The Head of Business Improvement and Modernisation explained bridges and roads was scheduled to be included in the Corporate Plan to enable a programme of work and monitoring. Councillor Thompson-Hill explained that Highways had a programme of works which prioritised work to be completed.
- Document retention had received a low assurance following audit results – The CIA explained that following a staff survey the results had proved to be lower than expected. The CIA clarified to members the robust action plan was in place to raise awareness and the Corporate Retention Schedule was to be made easily accessible for all.

The Chair thanked officers for the detailed report and responses to concerns raised by members.

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

## **8 INTERNAL AUDIT CHARTER**

The Chief Internal Auditor, introduced the Internal Audit Charter report (previously circulated) to provide members the revised Internal Audit Charter for the Committee's approval.

The Chief Internal Auditor explained the Charter had been updated following changes to the structure of Internal Audit service and to reflect changes to the Public Sector Internal Audit Standards.

Following member concerns, the Chief Internal Auditor confirmed the number of workforce had reduced to 6 officers, and expressed that all audit work would be completed to required deadlines. The Chief Internal Auditor expressed that there was sufficient resources to deliver the required assurance.

***RESOLVED***, that the Corporate Governance Committee receive and approve the revised Internal Audit Charter.

## **9 CORPORATE SAFEGUARDING PROGRESS REPORT**

The Chief Internal Auditor, and Head of Community Support Services introduced a verbal update on the implementation of the action plan on Corporate Safeguarding.

The Head of Community Support Services informed members a booklet was being produced alongside the new website for Corporate Safeguarding for all to have access to the information. The introduction of a mandatory training exercise would be in place to ensure staff are aware and trained in Corporate Safeguarding.

The Committee were pleased with the progress made to Corporate Safeguarding and praised Officers for the work that had been made to higher standards.

***RESOLVED***, that the committee receive and note the information report on the updates to Corporate Safeguarding.

**At this juncture (11.05 a.m.) there was a 10 minute break**

**Meeting reconvened at 11.15 a.m.**

## **10     LOGGERHEADS CAR PARK PROJECT**

The Head of Highways and Environmental Services (HHES), introduced the report (previously circulated) to review the work on the Loggerheads car park project.

The HHES explained to members the background of the project. He explained a member proposal form had been submitted to the Scrutiny Chair and Vice-Chair Group, requesting a report be considered. It was subsequently decided Corporate Governance Committee received the report.

Councillor Martyn Holland informed members that he had raised the initial member proposal form. He stated his initial concern had been with regard to the double yellow lines and dangerous parking at the site. Councillor Holland expressed overall praise for the project and stated the carpark had much improved. Concerns with regard to the entrance had been raised including the overspend that was needed to complete the project.

In response to concerns raised the HHES confirmed there had been issues with the project and the design of the entrance. The project Manager explained projects such as the Loggerheads carpark always have a risk element and contingency plans in place to accommodate any changes necessary.

Lay Member Paul Whitham asked if a definition of contingency could be provided to members to enable further understanding. Members asked officers for information regarding the process of tendering and the 'Sell to Wales' procurement portal. In response to members questions officers stated the Sell to Wales information website had proved beneficial. The Welsh Government had set up the portal for businesses to obtain contracts, advertise tender opportunities and promote services. Denbighshire are obliged to use the portal as the adverts complied with EU Procurement rules and tenders are allotted where appropriate to attract local suppliers.

The Chair thanked officers for the detailed report and expressed gratitude for the honesty and knowledge given in response to members concerns. Councillor Martyn Holland also thanked officers for the work completed at the Loggerheads Car Park Project and the report provided to members.

***RESOLVED***, that

- *the definition of Contingency be provided to members*
- *members receive the report and its contents.*

## **11 DOMICILIARY CARE SERVICES ACTIONS UPDATE**

An information report was provided by the Head of Community Support Services (previously circulated) on updates made following the CSSIW National Review of Domiciliary Care in Wales.

Councillor Bobby Feeley Lead Member for Well-being and Independence was in attendance for the item.

In response to questions raised, the Head of Community Support Services informed members that work was progressing well on the action plan to address areas of development.

The Chair thanked the Officers and Lead Member for the update and was pleased progress was being made to address issues raised.

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

## **12 WALES AUDIT OFFICE'S PROGRAMME OF WORK**

The Wales Audit Office provided Members with an information report (previously circulated) detailing the proposed programme of work. The report highlighted proposed Wales Audit Office reports on both financial and performance related audit work.

**RESOLVED**, that the committee receive and note the content of the WAO report.

## **13 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 FWP subject to the following amendments:-

29 November 2017-

- A report on Schools in Financial difficulty
- An update report on the Government Statement
- The Internal Audit Self-Assessment

24 January 2018

- School Finance Regulations report
- Outside Bodies Report
- General Data Protection Regulation (GDPR) Report

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

**The meeting concluded at 12:20 p.m.**