

CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 25 April 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, Corporate Plan and Performance.

Councillor Bobby Feely, Lead Member for Well-being and Independence.

Observers – Councillors Meirick Lloyd Davies, Glenn Swingler, Tony Thomas and Emrys Wynne

ALSO PRESENT

Head of Legal, HR & Democratic Services (GW), Head of Finance (RW), Chief Internal Auditor (LL), Internal Auditor (IG), Strategic Planning Team Manager (NK), Service Manager - Community & Business Services (AH), Lead Officer - Contracts & Facilities (NH) and Committee Administrator (SJ)

Wales Audit Office Representatives – Anthony Veale, Michelle Phoenix and Gwilym Bury.

1 APOLOGIES

None received.

2 DECLARATION OF INTERESTS

Councillor Tony Flynn declared a personal interest in agenda item 5- Homelessness Prevention Report as he was a landlord of rental property.

Councillor Barry Mellor and Councillor Alan James declared a personal interest in agenda item 7- Internal Audit Update as they were both on the CCTV Partnership board.

3 URGENT MATTERS

No urgent matters were raised.

4 MINUTES

The minutes of the Corporate Governance Committee held on the 07 February 2018 were submitted.

No matters arising.

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

5 HOMELESSNESS PREVENTION REPORT

Councillor Tony Flynn declared a personal interest in this agenda item.

An information report was provided by the Service Manager - Community & Business Services (previously circulated).

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

The Service Manager (SM) explained the information report was presented to Partnerships Scrutiny on the 3 May 2018 for debate. The report was presented to Corporate Governance for information and to assure members that the service had responded to the recommendations received by Wales Audit Office.

Following discussions the SM confirmed –

- Confirmation of the upcoming year's budget had been set
- Members had been informed the difference between emergency and temporary accommodation
- The report was produced to proactively prevent homelessness in Denbighshire. Work on preventing homelessness in Denbighshire had started and would continue alongside the action plan (action plan attached)
- Work with other services had continued, relationships with third parties had continued alongside the action plan

The Chair thanked the Officer and Lead Member for the report and the work that had started on the action plan. The Chair reminded members that the report went to Partnerships Scrutiny to be discussed in depth.

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

6 COMPLIANCE WITH DENBIGHSHIRE'S RISK MANAGEMENT POLICY

The Strategic Planning Team Manager (SPTM) introduced the report (previously circulated) to summarise how the Corporate Risk register was monitored in the authority.

A formally updated version of the Corporate Risk Register was agreed at Cabinet Briefing on 9 April 2018 and was presented to Performance Scrutiny on the 26 April 2018 for consideration. The Corporate Risk Register was formally reviewed twice a year by Cabinet and Corporate Executive Team (CET) with any significant new or escalating risks identified by CET.

The SPTM guided members through the report and the attached appendices. Following discussions the following topics were debated –

- Universal Credit – The SPTM confirmed a briefing had been received by all MAG meetings regarding the implementation of the new Universal credit system.
- Cyber attacks – The risk of a cyber attack had been investigated and an update to Risk iii to include cyber risk had been incorporated.
- Data Protection – With the implementation of the new General Data Protection Regulation an update to Risk it had been amended to include the new legislation. Work had commenced to reduce this area of risk and monitoring would continue following implementation.
- Corporate Boards – Two Corporate Boards had been established to manage the Corporate Plan.
- Working with neighbouring authorities – The SPTM confirmed work had been done on establishing working relationships with neighbouring authorities. Observations had taken place to establish positive interactions.

The Chair thanked the Strategic Planning Team Manager for the transparent report.

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

7 INTERNAL AUDIT UPDATE

Councillor Barry Mellor declared a personal interest in this agenda item (CCTV Report).

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 March 2018 on:

- Internal Audit reports recently issued
- Follow up of previous Internal Audit reports
- Progress on Internal Audit work to date 2017-18
- A summary of upcoming Internal Audit projects
- Internal Audit Performance standards

The following matters were raised during debate –

- Financial Services – The CIA explained to members that several audit reports had been completed in relation to Financial Services all giving a high assurance. Work continued on the action points raised by internal audit. Work had been done to reduce the high percentage of invoices received without a purchase order. The CIA explained any trends or problematic clusters are guided and supported to reduce instances of invoices without a purchase order where possible.
- Managing the Risk of Fraud – Preventative Measures – The CIA explained an Anti-fraud and Corruption plan had been developed by Internal Audit and

clarified some of the procedures that were in place to deter fraud. The Monitoring Officer clarified policies were in place for senior officers to declare interests. Raising the level of staff awareness of the policies and procedures was required.

- Travel & Subsistence – Confirmation from the CIA was given to the committee on the successful implementation of the new electronic module for processing travel expenses. The CIA explained that the policy stated that all employees had to complete a Driving Entitlement Consent Form, within the audit Denbighshire Staff that used the new system were audited but this did not include members.
- CCTV Partnership Governance – Members raised concerns of the lack of information submitted by North Wales Police. The Chair confirmed some information had been submitted to the Partnership board during its meetings. The relationship between North Wales Police and the CCTV Partnership Board was improving.

Discussions arose regarding a report to the Corporate Governance updating members on the relationship the County had with third party providers. The CIA confirmed work had commenced on a report investigating work provided by third parties.

RESOLVED that the Corporate Governance Committee receive the update report and note its contents and an annual Partnership Assurance report be presented to the Committee at a later date.

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

Meeting reconvened at 11:20 a.m.

8 INTERNAL AUDIT STRATEGY

The Chief Internal Auditor (CIA), submitted a report (previously circulated) to provide the committee the Internal Audit Strategy for 2018-19.

The CIA guided members through the report which provided information, the CIA elaborated on –

- The internal audit plan had a high element of flexibility allowing work to be completed and prioritised accordingly.
- Anti-fraud and corruption work remains a high priority for the Council. Work will continue in this area with reports brought to Corporate Governance at future meetings.
- The CIA confirmed Gwynedd CC had completed the external assessment in March 2018. The result and improvement plan would be presented to Corporate Governance Committee when received.
- The introduction of VERTO for recording progress against agreed actions had potentially reduced the number of days required for follow-up work.
- Internal Audit investigate key elements of services to report back to Corporate Governance Committee with any outcomes found.

The Chair thanked the Internal Audit Officer for the report and information. He offered his praise in the previous 12 months during all the changes within the service.

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

9 INTERNAL AUDIT ANNUAL REPORT

The Chief Internal Auditor (CIA), introduced the Internal Audit Annual report (previously circulated). A slideshow presentation illustrated to members the work the Internal Audit had completed during the 2017-2018 period. The report provided the CIA's overall opinion of the adequacy and effectiveness of the Council's framework of governance, risk and control during the year which informed the 'Annual Governance Statement'.

The CIA had provided 'medium assurance' on the overall adequacy and effectiveness of the Council's internal control environment, including its arrangements for governance and risk management. The CIA referred to the 31 audit opinions issued during the year and confirmed that 4 identified as low assurance would be monitored. The Corporate Governance Committee would receive progress reports from the service to oversee implementation of the agreed improvements.

In response to concerns raised by members regarding the work done in schools, the CIA confirmed work had been done which included an action plan for schools to implement. Work had been done on fraud prevention. Work had been completed on Policies and procedures by the audit team to provide assurance and guidance and prevent fraud from occurring where possible. Commitment by all authorities to reduce the level of fraudulent activities had been agreed.

Members asked for assurance that return investments had been investigated and audited. The CIA confirmed sample checks had been completed in areas to monitor findings and returns.

Following discussion it was-

RESOLVED, that the Chief Internal Audit's Annual Report and overall 'opinion' be received and its contents noted.

10 DRAFT ANNUAL GOVERNANCE STATEMENT

The Chief Internal Auditor (CIA), guided members through the draft annual Governance Statement (previously circulated).

The report provided the draft self- assessment report on the Council's governance and improvement arrangements for 2017-18 and afforded the Committee the opportunity to comment on the first draft of the 'Annual Governance Statement'.

The CIA explained to members the importance of the report, stating the draft report had been presented to SLT, Corporate Directors and Wales Audit Office for comments.

The CIA highlighted the seven key principals to the Corporate Governance Framework. It was explained the fundamental function of good governance in the Council to ensure outcomes are achieved. The CIA stated there had been no

significant issues to report with all amendments included in appendix A (copy attached).The CIA asked members for comments and any amendments to be directed to her to review and adjust where necessary.

The Chair thanked the Audit team for the transparent report and encouraged members to thoroughly read through the report and contact the CIA with any questions or amendments.

RESOLVED, that the Corporate Governance Committee:

- i. Receives the report and notes its contents and
- ii. Any amendments or questions directed to the CIA within 2 weeks.

11 WAO ANNUAL AUDIT PLAN

The Wales Audit Office (WAO) representative (AV) introduced the report which incorporated the 2018 Audit Plan – Denbighshire County Council. The report set out the planned programme of work for both the WAO’s financial audit performance audit programme and the performance audit work programme. The report provided details of the fee for the work, the audit team and the timetable of work.

A summary of the contents of the 2018 Audit Plan – Denbighshire County Council was provided, 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 representative provided the committee with an overview of the contents of the report. During discussions the following matters were raised –

- Some discussion focused on the streamlining of assurance arrangements by rolling out the ‘Summary Schedule of Certified Welsh Government Grants’ to all unitaries. This WAO representative said further information would be provided to the committee at a later date.
- The WAO officer explained that aspects of risks are investigated and complete risk assessments of complex areas.
- Explanation was given to the methods used in circulating invitations to seminars and workshops. WAO representative (GB) informed members of the method to sign up to the WAO newsletter to receive information of training and publication of reports.

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

12 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:-

6 June 2018 -

- External assessment- Gwynedd County Council's Chief Audit Executive- Report and Improvement plan

11 July 2018 -

- Annual SIRO report

26 Sept 2018 –

- WAO Annual Audit enquiries
- Update on Public Conveniences Audit report

21 Nov 2018 –

- Annual third party assurance report

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

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972.

13 INTERNAL AUDIT REPORT - PUBLIC CONVENIENCES

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

The Lead Member for Finance, Corporate Plan and Performance with the Lead Officer – Contracts and Facilities (LO) guided members through the Audit report. The LO gave members some background information and provided the Corporate Governance Committee with assurance that work had begun on the recommendations from the audit.

The Chair thanked the officers for providing the report and for clarifying members concerns.

RESOLVED that the Corporate Governance note the contents of the report and an update report be provided in the September Corporate Governance Committee meeting.

The meeting concluded at 13:10 p.m.