

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Minutes of a meeting of the Corporate Governance and Audit Committee held in on Wednesday, 9 September 2020 at 9.30 am.

PRESENT

Councillors Mabon ap Gwynfor, Tony Flynn, Alan James and Barry Mellor (Chair)

Observer – Councillors Meirick Lloyd Davies, Brian Jones, Gwyneth Kensler

ALSO PRESENT

Councillor Julian Thompson-Hill, The Lead Member for Finance, Performance and Strategic Assets, Councillor Huw Hilditch-Roberts, Lead Member for Education, Children's Services and Public Engagement

Head of Legal, HR and Democratic Services Monitoring Officer (GW), Head of Finance and Property Services (Section 151 Officer) (SG), Chief Internal Auditor (LL), Wales Audit Officers (DW, ME and DW), Climate Change Programme Manager (HVE), Corporate Health and Safety Manager (GL), Property Health and Safety Manager (SW), Senior Auditor (BC), Principal Manager - Modernising Education (GD), Headteacher (LP), Committee Administrator (RTJ)

1 APOLOGIES

Apologies were received from Councillors Joe Welch and Martyn Holland.

2 DECLARATION OF INTERESTS

Councillor Barry Mellor declared a prejudicial interest in agenda item 13, Councillor Alan James would chair the item in his absence

3 URGENT MATTERS

None.

4 MINUTES

The minutes of the Corporate Governance and Audit Committee meeting held on 9 September 2020 were submitted

Point of accuracy –

Councillor Julian Hill highlighted that he was not noted as being present in the previous meeting.

RESOLVED that the minutes of the meeting held on 9 September 2020 be received and confirmed as a correct record.

5 TACKLING CLIMATE AND ECOLOGICAL CHANGE IN COUNCIL DECISION MAKING

The Climate Change Programme Manager (CCPM) presented the having regard to tackling climate and ecological change in Council decision making report (previously circulated) alongside Councillor Graham Timms. The report was about the amendments proposed to the Council's Constitution to support the Council in having regard to tackling climate and ecological change when making decisions. The amendments proposed to the Council's Constitution and supporting documents and processes and the timeline for implementing these changes, if approved by Full Council, including the roll out of Carbon Literacy Training.

Councillor Graham Timms, thanked for the opportunity to speak the project has been ongoing for year, and there was a political union with the project, which was good and its good the matter has not been politicized.

It was highlighted that it was a real pleasure to read the wellbeing form, as something in each field indicated how the proposed changed would affect the Council but also be beneficial to residents within Denbighshire, the whole life cost of the project was a good term to be used.

An investment in Carbon Literacy Training was proposed for all Councillors and key officers to support them in enacting the principals of decision making as amended having regard to tackling climate and ecological change. This would be an accredited 1- day training course with providers being able to deliver it remotely on an online video conference platform. It was intended that the procurement process for this training would start in September and training undertaken throughout autumn and winter.

The proposals was supported by all lead members and Cabinet, and many members of the public.

General Debate –

- Member praised the report and the intentions for tackling climate change and thanked the officers for the all the hard work which was involved, good to see real change which would happen with the report. However highlighted that the Welsh Language needed to be remembered within the work, and not just noted. It was also raised how the Council would ensure those that rural communities, and elderly people who can't digital access were not losing out with the projects. Officers responded stating that there was a rural connectivity project was ongoing this would hopefully would include all with the digital side of the project.
- The Local Development Plan was raised, and whether land which had been designated on flood plains, should we not revisit, the LDP to ensure that land designated for development on flood plains should be withdrawn. The officer informed the committee that they had been invited to the Special Planning Group (SPG) to discuss climate change and the LDP.
- Member queried with the officers, whether these changes were implemented would there be an impact on planning committee, The monitoring officer

responded the change would be to the constitution which would change the principle of the framework for the Council, whilst we can change the constitution, the law would prevail whether there was conflict between the both. With planning it would not change how the committee would deal with the matter.

RESOLVED that Corporate Governance and Audit Committee recommend approval to Full Council to amend Section 13.2 of the Council's Constitution-Principals of Decision Making to include an additional bullet point under "All decisions of the Council will be made in accordance with the following principles" with the following wording: "having regard to tackling climate and ecological change".

6 CORPORATE HEALTH AND SAFETY ANNUAL 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 given medium assurance, 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, members were informed that the whistleblowing issue had been discussed thoroughly and good practices had been developed since.

Since March 2020 the Covid – 19 pandemic has driven the organisation to operate in a different way with much more focus on providing essential services in a "Covid secure" way and working from home. DCC responded rapidly to government regulations and guidance.

Risk assessments and safe working procedures were developed as soon as practicable and reflect the rapidly changing position. DCC's approach to managing the risk from Covid – 19 is assessed as high assurance

The accident \ incident count for the year shows an increased level of accident reports over previous years. This increase is due to the drive to improve accident reporting rather than the superficial indication of an increased accident rate.

Throughout the financial year 2019\2020 and to date, a number of our RIDDOR incidents were formally investigated by the HSE. In all but one case the HSE were satisfied with the response they received from DCC and took no action. In one case where there was an asbestos release the HSE imposed a "Fee for Intervention" of £123. The identified "Material Breach" that caused this has since been rectified by the housing management team.

General Debate –

- Members praised a further and informative report, it was queried whether there was a list of properties with asbestos present. Officers responded that each building had two asbestos surveys carried out, however problems

would arise as sometimes asbestos would be discovered where it was not meant to be.

- The committee queried whether PPE came under the remit of the Corporate Health and Safety team, it was confirmed that the procurement and management was not dealt with by the Health and Safety team.
- Members were reassured that the Council had a good amount of PPE whether the need would increase once again.

RESOLVED that, the Corporate Governance Committee receive the report, note its contents and endorse the Corporate Health and Safety team Work plan for 2019/20.

7 FIRE SAFETY ANNUAL REPORT

The Lead member for Finance, Performance and Strategic Assets presented the Fire Safety Annual Report (previously circulated) the report aimed to brief the committee on the Property Health and Safety Team's annual work on Fire Safety programme and performance and to provide an insight into the work planned for the remainder of 2020\2021.

At the beginning of the 19/20 financial year it was decided to appoint a Fire Safety Manager in order to address the limitations identified in the Fire Risk Assessments which were being undertaken. Historically these had been divided into 2 separate elements:

- Property – Undertaken within the Assets Team, and including a review of fire safety equipment and servicing.
- Management – Undertaken by the Corporate Health and Safety (CHS) Team and including fire safety processes, training of staff and record keeping.

Following an internal audit, it was determined that this was not sufficient and a more consolidated approach recommended. As a result, the lead officer for Strategic Assets, decided to create a dedicated role in order to address this issue, initially on a secondment, this role was made permanent in December 2019. From the beginning of financial year 19/20 all FRA's produced incorporated both elements.

General Debate –

Members queried with officers whether the pandemic had caused a delay with the FRA's, especially within schools, officers responded stating hopefully the FRA's in schools would increase over September and October.

RESOLVED that the Corporate Governance and Audit Committee receive the Fire Safety Annual report and note its content

8 DENBIGHSHIRE COUNTY COUNCIL CORONAVIRUS RESPONSE: FINANCIAL STRATEGY

The Lead member for Finance, Performance and Strategic Assets presented the Denbighshire County Council Coronavirus Response: Financial Strategy report (previously circulated) updating the committee on the progress of the Financial Strategy recovery theme as set out in the 'Denbighshire County Council Coronavirus Response: Planning for Recovery' report agreed by SLT and Cabinet.

A net increase of £2.1 million in Council expenditure was anticipated for the quarter to the end of June as a result of the COVID19 impact, with additional expenditure of £2.8 million for the period up to the end of June, alongside a decrease in expenditure of £747k over the same period.

There was a more dramatic impact on the Council's income, with income losses of £6.3 million forecast for the same period, the largest impact of £2.22 million on Denbighshire Leisure Limited, £649k School Meals, £498k Parking and £403k for loss of income for industrial units etc.

The expectation was that DCC would receive funding from the Welsh Government to fund the additional expenditure, but there were no firm announcements yet in terms of funding the loss of income.

The budget for the next financial year was behind due to COVID, the draft timetable within the pack for liable to change due to external factors. There were multiple unknowns, they were not aware of what the settlement would be, waiting for the WLGA to give the information who was waiting for the information from UK government. Due to this all possibilities were being looked at, hopefully in December the settlement would give us an insight for three years which could give us DCC some flexibility.

General Debate –

- The committee praised the officers for the report especially in these difficult times, the committee queried whether the grants implemented by DCC did they cause any additional financial strain. It was also queried the deficit of what was paid out was it covered up DCC's budget. Concerns were also raised with the lack of elected members being on the budget boards which were being formed.
- Responding officers clarified was a mixture of grants the expenditure grants, there were grants to pay for additional costs. The grants generally covered the costs which were incurred by the Council. Q1 WG paid most of the money, the amount held back were due to queries about certain matters, and these matters were being discussed. The costs of COVID were reducing at the moment. The savings which were being sought were efficiencies, not all savings could be done with the reduction within the proposed 4% cuts.
- The Lead member for Finance, Performance and Strategic Assets responded in regards to the finance board queries, the boards have no formal decision making powers, and the purpose was for senior members of staff to receive guidance for decisions which would then be approved in accordance with the democratic methods.

RESOLVED that the Corporate Governance and Audit Committee receive the Denbighshire County Council Coronavirus Response: Financial Strategy report and note its content

9 APPROVAL OF THE STATEMENT OF ACCOUNTS 2019/20

The Lead member for Finance, Performance and Strategic Assets presented The Statement of Accounts 2019/20 (previously circulated) for approval the council has a statutory duty to produce a statement of accounts that complies with approved accounting standards. The audited accounts have to be formally approved by elected members on behalf of the council.

The financial statements for 2019/20 were approved, subject to audit, by the Head of Finance on 15th June (3rd June last year). The draft accounts were presented to Corporate Governance Committee on 8th July 2020 and were open to public inspection from 3rd August to 28th August. These dates were later than usual due to the current restrictions related to COVID 19. The Accounts and Audit Regulations require that the Council formally approves the audited accounts, containing the external auditor's opinion, by 15th September. The approval of the audited accounts has been delegated to the Corporate Governance and Audit Committee.

The Statement of Accounts was produced in compliance with the International Financial Reporting Standards (IFRS). The Chartered Institute of Public Finance and Accountancy (CIPFA) produces the IFRS based Code of Practice on Local Authority Accounting and the council has produced the 2019/20 accounts in compliance with the Code.

General Debate –

- The committee queried with officers which areas within the Council which were worst affected by the pandemic. The officers clarified social services in particular have had a big hit and stressed the capacity, the council continued paying social care providers to ensure they were kept afloat during the pandemic.
- The committee were also informed that during the first quarter school transport were still being paid although schools were closed, this was to ensure that when schools were to reopen the companies were still available.
- The committee questioned the reliance on using Excel spreadsheet for the asset register. Responding officers clarified that DCC were trying to procure a new IT system, and was due to be finalised however it was currently paused and being reviewed.

RESOLVED that Corporate Governance and Audit Committee approve the Statement of Accounts 2019/20 (see Appendix 1). At the meeting, the Chair and Chief Finance Officer will be required to sign the Accounts and the Letter of Representation.

10 AUDIT ENQUIRIES 2019/20

The Wales Audit office, officers presented the Audit Enquiries 2019/20 report (previously circulated) the report aimed to introduce the Audit Enquiries Letter and the Council's response to those enquiries.

Wales Audit Office (WAO), as DCC's appointed external auditors, have a duty to obtain evidence of how management and those charged with governance (in DCC this was the Corporate Governance and Audit Committee) were discharging their responsibilities for preventing and detecting fraud.

Officers apologised for the delay with presenting the report. The officers informed the committee if they had any queries in regards to the report they could email the Head of Finance and Property.

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

11 SIRO REPORT - FOR INFORMATION

The Business Information Team Manager introduced the SIRO report for 2019/20 (previously circulated) The report covers the period April 2019 to March 2020 and details breaches of the data protection act by the Council that have been subject to investigation by the Senior Information Risk Officer (SIRO – in DCC this is the Head of Business Improvement and Modernisation).

It also covers complaints about the Council relating to Freedom of Information legislation that have been referred to the Office of the Information Commissioner (ICO), and provides some information about the Access to Information/FOI requests made to the Council.

General Debate –

- Members were glad to receive the report for information purposes, the committee queried the 11 upheld complains within the report. The monitoring officer responded that there had been 12 breaches, there had been only one major breach which had been disclosed to the ICO. It was also clarified that the term complaint it's an expression of dissatisfaction.

RESOLVED that the Corporate Governance and Audit Committee note the Siro Report.

12 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

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

The committee requested that Schools in financial difficulties be included on the Forward Work Programme, the committee agreed for the item to be discussed in the New Year.

The Head of Legal, HR and Democratic Services informed the committee that the FWP was not dated too far to the future as the future meeting dates had not been agreed in full Council.

RESOLVED that Corporate Governance and Audit Committee's forward work programme be noted.

EXCLUSION OF PRESS AND PUBLIC

RESOLVED that under Section 100A of the Local Government Act 1972, the Press be excluded from the meeting for the following item of business on the grounds that it would involve the likely disclosure of exempt information as defined in Paragraph 14 and 16 of Part 4 of Schedule 12A of the Act.

13 INTERNAL AUDIT OF ST ASAPH VP INFANTS SCHOOL

The Chief Internal Auditor presented the Internal Audit of St Asaph VP Infants School (previously circulated) the report provided details of a recent Internal Audit report of St Asaph VP Infants School that received a 'Low' assurance rating.

The review was carried out following concerns raised, this was doing alongside governance of schools. The review covered the following:

- (a) School governance arrangements;
- (b) Controls and procedures; and
- (c) Management of the voluntary school fund account.

The review discovered the following -

- School governors that were interviewed expressed that they had not received appropriate support and advice when they initially took up their role. Governors have not engaged with the Local Education Authority (LEA) and, in some instances, they had not completed the mandatory training for their role.
- The terms of reference for the Full Governing Body (FGB) and the individual sub-committees were either several years out of date or not available. This was a major issue as terms of reference outline how the FGB and each subcommittee would operate and, therefore, needed to be in place and reviewed and updated on an annual basis.
- Minutes for the FGB meetings were brief and lacked key information. Audit could not find evidence that key documents or the delegated budget had been approved.
- Two governors had been in post for over 12 months and had not completed all the statutory training. If a governor has not completed all the statutory training within 12 months, then the chair of governors should suspend the governor until they complete the outstanding training.

Audit's overall opinion was that the school's governance arrangements were weak, administration arrangements were limited and controls around the school fund account need to be improved. There is very little evidence to show that the School

Governing Body had challenged decisions at meetings, and governors state that they are not fully aware of their roles and responsibilities. Therefore, audit gave a low assurance overall.

The committee were informed the review was carried out some time ago there was an Estyn investigation carried out following the internal audit. The committee were assured that following the audit the school had progressed and had drastically improved.

The committee praised the report and highlighted how some changes within smaller schools could have a large impact. They highlighted that certain smaller schools were at a risk due to size and capacity.

The Lead Member for Education, Children's Services and Public Engagement stated it was a good audit which was carried out enabled a good action plan which enabled the issues to be resolved.

The committee wanted to know what was happening with the school and action plan, there have been verbal assurances that the actions had been completed, however suggested follow up report including the action plan be produced in the new year.

RESOLVED that

- (a) Corporate Governance and Audit Committee note the Internal Audit of St Asaph VP Infants School*
- (b) A follow up report be brought back to the Committee in the New Year.*