

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

- \* Councillor Gordon Jackson (Chairman)
- \* Councillor Jo Randall (Vice-Chairman)

Councillor Alexandra Chesterfield	* Mrs Maria Angel
* Councillor Colin Cross	* Mr Charles Hope
* Councillor Mike Hurdle	Ms Geraldine Reffo
* Councillor Nigel Kearse	* Mr Ian Symes
Councillor Nigel Manning	

\*Present

The Lead Councillor for Finance and Asset Management, Councillor Michael Illman was also in attendance.

### **CGS30 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillors Alexandra Chesterfield and Nigel Manning and from Gerry Reffo.

### **CGS31 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interests.

### **CGS32 MINUTES**

The Committee confirmed as a correct record the minutes of the meeting held on 21 September 2017. The Chairman signed the minutes.

### **CGS33 ANNUAL AUDIT LETTER 2016-17**

The Committee considered the Annual Audit Letter for 2016-17 issued by the external auditors, Grant Thornton.

The external audit for 2016-17 had been completed and the independent auditor had now issued their Annual Audit Letter, a copy of which was appended to the report submitted to the Committee. The Annual Audit Letter included findings and recommendations that had been raised in the Audit Findings Report presented to the Committee at its meeting on 21 September 2017.

The Committee

RESOLVED: That the Annual Audit Letter for 2016-17 be commended to the Executive for approval.

Reason:

To approve the Annual Audit Letter

### **CGS34 SUMMARY OF INTERNAL AUDIT REPORTS (APRIL TO SEPTEMBER 2017)**

The Committee considered the summary of Internal Audit Reports and other associated work for the period April – September 2017, together with progress against the audit plan.

Questions from the Committee raised the following points and information:

- In relation to the fuel management issue, it was confirmed that staff training was being put in place and it would be monitored as part of a wider audit of vehicle management during the year, the outcome of which would be reported back to the Committee. It was also proposed to introduce software into the payments system that would identify duplicate payments before they were actually paid.
- It was confirmed that it was still proposed to introduce a complaints management module to the existing e-Case Freedom of Information (Fol) system, which would enable details of the number and type of complaints received to be reported to the Committee as part of the six monthly update report on Fol requests.
- In relation to the work undertaken by Internal Audit earlier this year with the Electoral Services team to test controls and identify administrative improvements, it was noted that whilst Guildford's processes and management controls were sound, there was risk around the adequacy of systems in place in neighbouring boroughs with whom the Council exchanged data sets on electors in respect of Parliamentary Elections.

Having considered the various reports, the Committee,

RESOLVED: That the summary of audit reports for the period April to September 2017, together with progress against the audit plan, be noted.

Reason:

To ensure an adequate level of audit coverage.

### **CGS35 FINANCIAL MONITORING 2017-18: PERIOD 6 (APRIL TO SEPTEMBER 2017)**

The Committee considered a report that set out the financial monitoring position for period 6 (April to September 2017).

The report summarised the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for this period. Officers were projecting a reduction in net expenditure on the general fund revenue account of £1,406,830. This was the result of a combination of factors, which included a reduction in employee expenditure across all services, higher than assumed levels of grant support and a reduction in the statutory Minimum Revenue Provision (MRP) charge to the General Fund to make provision for the repayment of past capital debt. This lower than budgeted MRP charge reflected a re-profiling of capital schemes, which also had a positive impact on the level of cash balances and assumed external borrowing costs, which had combined to produce higher than budgeted net interest receipts.

A surplus on the Housing Revenue Account, due to lower staffing and repairs and maintenance costs would enable a projected transfer of £8.79 million to the new build reserve and £2.5 million to the reserve for future capital at year-end, which had been £560,731 higher than budgeted.

Officers were making progress against significant capital projects on the approved programme as outlined in section 7 of the report. The Council was expected to spend £38.7 million on its capital schemes by the end of the financial year.

The Council's underlying need to borrow to finance the capital programme was expected to be £25.7 million by 31 March 2018, against an estimated position of £87.7 million, which was due to slippage on both the approved and provisional capital programme.

The Council held £135.1 million of investments and £233.3 million of external borrowing as at 30 September 2017, which included £193 million of HRA loans. Officers confirmed that the Council had complied with its Prudential indicators in the period, which were set in February 2017 as part of the Council's Treasury Management Strategy.

During the debate, the Committee made a number of comments, including:

- It was not expected that the weighted average rate of interest in respect of PWLB debt would increase significantly for the foreseeable future.
- The £115,000 overspend on the Parks and Countryside budget in respect of traveller costs/contract arrangements comprised legal costs and costs associated with securing sites once travellers had moved on.
- Although the Council did not budget for traveller incursions, contingency arrangements were put in place to deal with them as and when required.
- The Council would normally allow up to five years to recover the initial capital value of externally managed funds that did not perform as well as expected
- The Council had commissioned a feasibility study to evaluate options for the replacement for Guildford Spectrum within ten to fifteen years.

Having considered the report, the Committee

RESOLVED: That the results of the Council's financial monitoring for the period April to September 2017 be noted.

Reason:

To allow the Committee to undertake its role in relation to scrutinising the Council's finances.

### **CGS36 GENERAL DATA PROTECTION REGULATION - UPDATE**

The Committee received and noted an update report on action taken to progress the implementation of the General Data Protection Regulation by 25 May 2018.

The Project Board had met on 18 October 2017 to develop a training and awareness programme for staff and councillors, including parish councillors.

The Board had discussed the requirement to review the data held by all services and to conduct a review of the Council's systems and processes regarding the handling of personal data. The Board was also reviewing the Information Asset Registers for all services.

In line with the GDPR Governance structure adopted by the Committee at its meeting on 21 September 2017, the Council's Data Protection Officer (DPO) had provided verbal updates to the Director of Resources, Corporate Governance Group and also the Executive/Management Team Liaison Group and Corporate Management Team.

In response to comments from the Committee, it was noted that:

- Should the Council be found liable for a serious breach of the GDPR, any significant fine would be funded from reserves
- Some parish councils had already received training by third parties on the implications of GDPR and, although the Borough Council would assist parish councils with

awareness training, it was up to each parish council to ensure that they complied with the requirements of GDPR.

- Although details of the training had not yet been finalised, it would be useful if parish clerks were also invited to attend.

The Committee

RESOLVED: That the update report be noted.

Reason:

To review the Council's progress in complying with the GDPR by 25 May 2018.

**CGS37 WORK PROGRAMME**

The Committee, having considered its updated work programme for the remainder of the 2017-18 municipal year,

RESOLVED: That the updated work programme for 2017-18, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason:

To allow the Committee to maintain and update its work programme.

The meeting finished at 7.49 pm

Signed .....

Chairman

Date .....