

# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

26 July 2018

\* Councillor Richard Billington (Chairman)  
Councillor Alexandra Chesterfield (Vice-Chairman)

* Councillor Nils Christiansen	* Mrs Maria Angel MBE
* Councillor Colin Cross	* Mr Charles Hope
* Councillor Andrew Gomm	Ms Gerry Reffo
Councillor Mike Hurdle	* Mr Ian Symes
* Councillor Nigel Kears	

\*Present

The Lead Councillor for Infrastructure and Governance, Councillor Matt Furniss, the Lead Councillor for Finance and Asset Management, Councillor Nigel Manning, and Councillors David Quelch and David Reeve, were also in attendance.

## **CGS13 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillors Alexandra Chesterfield and Mike Hurdle.

Councillors David Quelch and David Reeve attended as substitutes for Councillors Chesterfield and Hurdle respectively.

## **CGS14 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

## **CGS15 MINUTES**

The Committee confirmed as a correct record the minutes of the meeting held on 14 June 2018. The Chairman signed the minutes.

## **CGS16 FREEDOM OF INFORMATION AND SUBJECT ACCESS COMPLIANCE - UPDATE**

The Committee considered an update report on the monitoring of the Council's performance in dealing with Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests, and Subject Access Requests.

The Committee was pleased to note that, for the calendar year up to 27 June 2018, the Council's overall performance rate for responding to FOI and EIR requests within the 20 working day deadline stood at 93.5%, which compared favourably with the figure of 91.5% recorded for the same period in 2017. The Council was therefore currently meeting both the Information Commissioner's performance indicator of 85%, and the 90% target agreed by the Corporate Management Team.

During the debate, it was suggested that:

- future update reports should provide data on those FOI and EIR requests that had closed in the relevant period under review
- efforts should be made to address the five worst performing services in respect of dealing with FOI and EIR requests

The Committee

RESOLVED: That the Committee notes the officer actions and continues to receive six monthly updates.

Reason:

To ensure that the Council continues to meet and, wherever possible, exceed, the 90% compliance target.

**CGS17 GENERAL DATA PROTECTION REGULATION - UPDATE**

The Committee received and noted an update report on progress on action taken towards implementation of the requirements of the General Data Protection Regulation, which came into force on 25 May 2018.

The staff training and awareness programme launched at the end of March had comprised of face-to-face training followed by an online e-learning module. As at 13 June 2018, 92% of staff had attended the face-to-face sessions and 84% had completed the online training and passed the associated test.

The Council's website had been updated to reflect the changes introduced by the GDPR and the Data Protection Act 2018. New privacy statements had been approved, and a page detailing the roles of the Data Protection team had been added, together with a new page outlining the new personal information rights (e.g. right to be informed, right to rectification, right to erasure, etc.)

Following successful testing, request forms had been uploaded to the website so that customers had the option of making such requests directly via an online portal.

The Council's Data Protection Policy had also been updated to take GDPR requirements into account. This included details of the roles performed by the Data Protection Officer (DPO) and Information Assurance Manager (IAM), the revised Data Protection principles and new guidance on the rights of data subjects.

As part of the ongoing staff awareness campaign, posters issued by the ICO had been distributed across the services. The Privacy and Information Security Liaison Group would now reconvene and meet monthly with ongoing GDPR compliance issues forming a major part of the agenda.

It was noted that since the coming into force of the GDPR in May 2018, there had been a significant increase in the number of Subject Access Requests (SARs) received by the Council. The Council had received more SARs in one month (May to June 2018) than during the whole of 2017.

The Council had also received three "right to be forgotten/right to erasure" requests during this time.

The majority of supplier questionnaires to assess GDPR compliance for the Council's external data processors across all service areas had now been received and reviewed. The GDPR Team was involved with ongoing documentation reviews and technical due diligence.

During the debate, the Committee noted a request that future update reports include the monitoring of any appeals, and information on the quantifiable cost to the Council of meeting its obligations under the legislation.

Having considered the update report, the Committee

**RESOLVED:** That the Committee notes the officer actions and continues to receive updates on a six monthly basis.

Reason:

To ensure the Council continues to comply with GDPR legislation.

## **CGS18    AUDIT FINDINGS REPORT AND STATEMENT OF ACCOUNTS FOR 2017-18**

The Committee noted that a complex technical accounting issue had arisen, but had not yet been resolved, in relation to the accounting treatment of the lease for Onslow Park and Ride and its subsequent valuation in the Council's accounts.

Consequently, it had not been possible to finalise the statement of accounts or amend the audit findings report in time for consideration by the Committee at this meeting.

The Committee therefore

**RESOLVED:** That consideration of the audit findings report and the statement of accounts for 2017-18 be deferred to a special meeting of the Committee to be held on Tuesday 7 August 2018.

### Reason:

In order to ensure the 2017-18 statement of accounts are materially correct.

## **CGS19    SUMMARY OF INTERNAL AUDIT REPORTS (OCTOBER 2017 TO MARCH 2018)**

The Committee considered a report setting out a summary of Internal Audit Reports for the period October 2017 to March 2018.

Questions from the Committee raised the following points and information:

- In relation to those audit reports which were still in progress by the time they are reported to Committee, a target completion date should be included in the report for information.
- In relation to the audit report on asbestos, the Chief Internal Auditor confirmed that the Council was actively seeking to resolve the problem and identify the risks and put in place the proper mechanisms to monitor and manage those risks. Where the removal of asbestos was required, the Council had taken all appropriate steps to temporarily close the building and had sought the services of specialist contractors to deal with its safe removal.

Having considered the various reports, the Committee,

**RESOLVED:** That the contents of the summary of audit reports and other associated work for the period 1 October 2017 to 31 March 2018 be noted.

### Reason:

To ensure an adequate level of audit coverage.

## **CGS20    WORK PROGRAMME**

The Committee, having considered its updated work programme for the 2018-19 municipal year

**RESOLVED:** That the work programme for the 2018-19 municipal year, as set out in Appendix 1 to the report submitted to the Committee, be approved, subject to the addition of the Review of Public Speaking Procedure Rules to the list of matters to be considered at the 20 September 2018 meeting.

### Reason:

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

The meeting finished at 7.44 pm

Signed .....  
Chairman

Date .....

# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

7 August 2018

\* Councillor Richard Billington (Chairman)  
Councillor Alexandra Chesterfield (Vice-Chairman)

Councillor Nils Christiansen	* Mrs Maria Angel MBE
* Councillor Colin Cross	* Mr Charles Hope
Councillor Andrew Gomm	Ms Gerry Reffo
Councillor Mike Hurdle	* Mr Ian Symes
* Councillor Nigel Kearse	

\*Present

Councillors Christian Holliday, David Quelch, and David Reeve, were also in attendance.

## **CGS21 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillors Alexandra Chesterfield, Nils Christiansen, Andrew Gomm, and Mike Hurdle, and from Ms Gerry Reffo.

Councillors Christian Holliday, David Quelch, and David Reeve attended as substitutes for Councillors Chesterfield, Christiansen, and Hurdle respectively.

## **CGS22 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

## **CGS23 AUDIT FINDINGS REPORT 2017-18**

The Committee considered the Audit Findings report from the Council's external auditors (Grant Thornton), which set out their opinion on the Council's Financial Statements for 2017-18, and gave a conclusion on the Council's arrangements for ensuring value for money in the use of resources.

The audit of the 2017-18 accounts was now complete and the independent auditor had indicated that they intended to issue an unqualified opinion on the financial statements, which the Chief Finance Officer would re-certify in accordance with the Accounts and Audit Regulations 2015 immediately after the Committee meeting. The auditors had issued an Audit Findings report, which was included as Appendix 1 to the Committee Report, together with a management action plan (Appendix A to the Audit Findings Report).

The auditors had found one material misstatement relating to Onslow Park and Ride which affected the primary financial statements but not the overall financial position of the Council. This was a complex accounting issue that had been amended in the accounts. The auditors had also found two omissions, one relating to the depreciation on the crematorium not being written back to gross cost at the point of revaluation and £3.414 million of capital assets classified as operational assets but should be assets under construction (and therefore non-operational). There were also some minor changes that were not individually significant enough to warrant separate disclosure in the findings report.

The auditors had proposed to give an unqualified Value for Money conclusion. Their recommendations relating to value for money were included in the action plan. The key points related to the medium term financial plan and the general fund capital programme.

The Chairman of the Corporate Governance and Standards Committee was required to issue a letter of representation on behalf of the Council to the auditors to provide assurance over the

management framework operating at the Council and the disclosures in the accounts. A copy of the proposed letter was attached as Appendix 2 to the Committee Report.

The Committee

RESOLVED:

- (1) That Grant Thornton's Audit Findings report attached as Appendix 1 to the report submitted to the Committee, and the management responses provided in the action plan (as set out in Appendix A to Appendix 1) be noted.
- (2) That the letter of representation, as set out in Appendix 2 to the report, be approved, and that the Chairman be authorised to sign the letter on the Council's behalf.

Reason:

To allow the external auditor to issue his opinion on the 2017-18 accounts.

## **CGS24 AUDITED STATEMENT OF ACCOUNTS 2017-18**

Following consideration of the draft statement of accounts for 2017-18 at its meeting on 14 June 2018, the Committee now considered the Audited Statement of Accounts for 2017-18. The Audit Findings report had covered the changes made to the accounts between the draft accounts, issued on 31 May 2018 and presented to this Committee on 14 June, and the audited accounts. The audited accounts, a copy of which was attached at Appendix 1 to the covering Committee report, included the changes.

The Committee noted that the external auditors (Grant Thornton) intended to issue an unqualified opinion on the financial statements.

In order to comply with the Accounts and Audit Regulations 2015 the statutory Statement of Accounts required approval by 31 July. This was two months earlier than in previous years. A complex technical accounting issue had arisen towards the end of the audit in respect of the accounting treatment of the lease for Onslow Park and Ride and its subsequent valuation in the Council's accounts. The Director of Finance and the Associate Audit Director (Grant Thornton) had agreed a resolution to the matter, but the tight deadline meant it was not possible to make the required adjustments in time for the 26 July 2018 meeting of the Committee to approve the accounts. Consequently, this special meeting of the Committee had been convened to approve the revised Statement of Accounts for 2017-18.

Comments from the Committee raised the following points:

- The external auditors and the Director of Finance confirmed that the level of redundancy payments referred to in the Statement of Accounts were in accordance with the Council's Redundancy Policy
- The income and expenditure relating to The Village project fell within the Comprehensive Income and Expenditure Statement, and the details had been reported to the Committee throughout the year via the Financial Monitoring reports
- It was confirmed that, following a review by the HR Manager, nobody working for the Council would fall foul of the IR35 employment rules and expenditure on any self-employed persons or companies engaged by the Council fell within "Other services expenses", rather than employee expenses in the Expenditure and Income Analysed by Nature.
- The Director of Finance stated that the Balance Sheet had shown a more negative view of the pension liability (£90.2 million) than had been shown by the Pension Actuary in the last triennial valuation (estimated at £75 million)
- In relation to key performance indicator no. 4 – Benefit Overpayments recovered, the Director of Finance would confirm the overpayments recovered as a percentage of the total benefit overpayments outstanding.

Having considered the Statement of Accounts for 2017-18, the Committee

RESOLVED:

- (1) That the audited Statement of Accounts for 2017-18, as set out in Appendix 1 to the report submitted to the Committee, be approved.
- (2) That the Chairman of the Committee be authorised to sign the official copy of the accounts to state that they are approved.

Reason:

To approve the Statement of Accounts for 2017-18.

The meeting finished at 8.15 pm

Signed .....

Chairman

Date .....