

CONSTITUTION AND DEMOCRATIC SERVICES COMMITTEE
5 MARCH 2020

Minutes of the meeting of the Constitution and Democratic Services Committee of Flintshire County Council held at County Hall, Mold, on Thursday, 5 March 2020

PRESENT: Councillor Ted Palmer (Chairman)

Councillors: Clive Carver, Jean Davies, Rob Davies, David Healey, Gladys Healey, Joe Johnson, Paul Johnson, Mike Peers, Michelle Perfect, Vicky Perfect, Neville Phillips, Ian Smith, David Williams, David Wisinger and Arnold Woolley

SUBSTITUTION: Councillor Christine Jones for Chris Bithell

APOLOGIES: Bob Connah

IN ATTENDANCE: Chief Officer (Governance), Internal Audit Manager, Strategic Finance Manager, and Democratic Services Officer

26. DECLARATIONS OF INTEREST

None.

27. MINUTES

The minutes of the meeting held on 22 January 2020 were submitted.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chairman.

28. CODE OF CORPORATE GOVERNANCE

The Internal Audit Manager presented a report on the revised Code of Corporate Governance for inclusion within the Council's Constitution. She provided background information and explained that the updating and formatting review of the Code was initially carried out by the Corporate Governance Working Group followed by consultation with the Chief Executive, Monitoring Officer, and Section 151 Officer. The Code was endorsed by the Audit Committee at a meeting held on 29 January 2020. Whilst the format of the Code had been simplified for 2019/20 only a small number of updates had been made to bring the document up to date. The revised Code was appended to the report.

The Internal Audit Manager drew attention to the seven principles for the Code as outlined in the report. The principles were to be used by the Corporate Governance Working Group, Chief Officers, and Chairs of Overview & Scrutiny Committees to help inform the preparation of the Annual Governance Statement.

Councillor Mike Peers asked if the Cabinet member was included in the draft documentation which was prepared by the Corporate Governance Working Group for consideration by the Chief Executive, Monitoring Officer and Section 151 Officer. He also referred to page 21 of the report and suggested that a link be added between the Standards Committee and the Public Services Ombudsman for Wales (PSO).

The recommendation in the report was moved by Councillor Jean Davies and seconded by Councillor David Wisinger.

RESOLVED:

That the updated Code of Corporate Governance for adoption as part of the Council's Constitution be endorsed.

29. FINANCIAL PROCEDURE RULES

The Strategic Finance Manager presented the report on the proposed updated Financial Procedure Rules (FPRs) for consideration prior to approval at County Council on 5 May 2020. She advised that the FPRs had been endorsed by the Audit Committee at a meeting held on 29 January 2020, and feedback was detailed in the report. The updated FPRs, which included the minor amendments recommended by the Audit Committee, were appended to the report.

The Strategic Finance Manager reported on the main considerations. She explained that when approved the new arrangements to ensure corporate oversight would be put in place. Adherence to the FPRs would be monitored by the Finance Teams and any breaches or concerns reported to Chief Officers on a quarterly basis.

Councillor Mike Peers referred to page 48, paragraph 1.3.1, and commented on the annual Declaration of Interests which were completed by Members as part of the Statement of Accounts process and asked if this should also be referred to. The Strategic Finance Manager explained that this was a specific requirement with regards to the Statement of Accounts process. The Chief Officer said this would be considered.

In response to a question from Councillor Peers on information provided on page 51 around unlawful entry in the Council's accounts the Chief Officer provided clarification around reference to unlawful expenditure and unlawful entry in the Council's accounts.

Referring to paragraph 1.3.1, page 48, Councillor Clive Carver commented on the reference to Members and officers in the first sentence and asked whether a reference to Members should also be included in paragraph 1.4.4, page 49. The Strategic Finance Manager explained that Members had not been included as they were deemed to have an 'oversight' role. During discussion it was agreed that paragraph 1.4.4 would be amended to read: "Where any Officer or Member considers that complying with Financial Procedures in a particular situation".

Councillor Clive Carver commented on the requirement of the S151 Officer to report unlawful entry in the accounts and asked if this should include if an error was made. The Strategic Finance Manager responded that any significant error would be identified and reported as part of the Statement of Accounts process by the Wales Audit Office.

Councillor Paul Johnson referred to information on the maintenance of reserves on page 61 of the report and asked how an unexpected event would be funded if the cost was greater than the reserves available. The Strategic Finance Manager explained the Council had a base level of reserve which was the last line of defence and when setting the budget a balance had to be achieved between protecting services, keeping council tax rises as low as possible, and maintaining a sufficient level of reserves for such instances. The Chief Officer advised that if cost was greater than available reserves the Welsh Government may be asked to provide assistance from the Financial Assistance Fund. The Strategic Finance Manager drew attention to page 57 of the report, paragraph (m), and said that the Chief Executive/Chief Officer must consult with the Chief Finance Officer prior to incurring expenditure and that this should be reported to Cabinet as soon as possible. During discussion it was suggested that the final sentence in the paragraph be amended to read: "and agreement for the funding of such expenditure and how it should be treated must be agreed as soon as possible".

The recommendation in the report was moved by Councillor David Wisinger and seconded by Councillor Mike Peers.

RESOLVED:

That the updated Financial Procedure Rules be endorsed and recommended to Council for approval.

30. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There were no members of the press or public in attendance.

(The meeting started at 2.00 pm and ended at 2.35 pm)

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Chairman