

CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 18 December 2013 at 9.30 am.

PRESENT

Councillors Stuart Davies, Martyn Holland, Jason McLellan (Chair) and Paul Whitham (Lay Member).

Councillors M.Ll. Davies, J. Thompson-Hill and A. Roberts attended as observers.

ALSO PRESENT

Corporate Director: Modernising and Wellbeing (SE), Head of Legal and Democratic Services (GW), Head of Internal Audit (IB), Head of Business, Planning and Performance (AS), Audit Manager (BS), Chief Accountant (RW), Corporate Improvement Manager (CB), Corporate Programme Office Manager (KA), Corporate Improvement Officer (NK), Wales Audit Office Representatives (GB and NR), CSSIW Regional Director (PG) and Committee Administrator (CIW).

1 APOLOGIES

Apologies for absence were received from Councillors Brian Blakeley and Gwyneth Kensler

2 DECLARATION OF INTERESTS

No Members declared any personal or prejudicial interests in any business identified to be considered at the meeting.

3 URGENT MATTERS

No items were raised which in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act, 1972.

4 MINUTES

The Minutes of a meeting of the Corporate Governance Committee held on 6th November, 2013.

RESOLVED – *that the minutes be received and approved as a true and correct record.*

5 RECENT INTERNAL REGULATORY REPORTS RECEIVED

(i) **Annual Improvement Assessment Letter**

A copy of the Improvement Assessment letter received from the Wales Audit Office (WAO), which provided an opinion on whether the Council had discharged its statutory duties in respect of improvement planning, improvement reporting and had met the requirements of the Local Government (Wales) Measure 2009, had been circulated with the papers for the meeting.

The Welsh Audit Office representative introduced the report. He explained that the opinion expressed in the letter by the WAO concluded that the Council had discharged its improvement reporting duties under the Measure as follow:-

- the Council had published an assessment of its performance during 2012-13 in its Annual Performance Report 2012/13 before the 31st October, 2013;
- the report assesses the Council's performance in the preceding financial year (2012-13) and sets out how the Council has sought to discharge its duties under the Measure;
- the Report evaluates the Council's success in achieving its improvement objectives and expresses its view clearly;
- the Report includes a short section for citizens who want to provide feedback or make comments on the Review;
- the Report includes details of performance and comparisons as measured by the national statutory performance indicators; and
- the Report includes a short section on the ways in which the Council has sought to collaborate.

No proposals for improvement had been suggested in the letter. It was explained that progress made by the Council in implementing the proposals set out in previous reports and letters would continue to be monitored and reported.

It was confirmed that more detailed work would be undertaken on the arrangements which supported the Council's performance management and reporting. A summary of all the work undertaken by the WAO, and relevant regulators during 2013-14, would be provided in an Annual Improvement Report to be published in March, 2014.

RESOLVED – *that the Corporate Governance Committee receives the Wales Audit Office letter and note its contents.*

(ii) Local Authority Social Services Inspection Evaluation and Review 2012-13

A copy of a report by the Principal Manager: Business Support, on the key issues arising from the Care and Social Services Inspectorate Wales (CSSIW) evaluation of Denbighshire Social Services performance for 2012-13, had been circulated with the papers for the meeting.

The Corporate Director: Modernising and Wellbeing (CD:MW) introduced the report which detailed the performance evaluation for Social Services including areas of progress, areas for improvement and of risk. The evaluation highlighted the ambitious programme of modernisation which would shape services and citizen's experiences, and acknowledged the strong and effective leadership at all tiers with strong evidence of continued progress despite the challenges being faced. A number of specific areas for improvement had been identified in the CSSIW report and would be discussed during regular engagement meetings between the Senior Management Team and the CSSIW in the coming year. The areas for follow-up by the CSSIW next year included:-

- Establishing clear measurable outcomes to assist with the evaluation of existing and proposed services.
- Assessment and support to carers.
- Performance in relation to looked after children.
- Deprivation of Liberty Safeguards.
- Staff sickness levels.
- National thematic inspection of looked after children.
- National thematic inspection of commissioning of social care for older people.
- Partnership working with BCUHB.

In reply to questions from Councillor M.L. Holland, the rationale of national thematic inspections, undertaken across Wales by WG, was provided. It was explained that deprivation of liberty safeguards ensured that appropriate arrangements were in place to protect older people's liberties.

Appendix II provided an overview of the areas identified as demonstrating progress and areas identified for improvement in the performance evaluation. It also included information on how the Council responded to the areas identified for improvement.

Areas identified as requiring improvement were in line with the Director's self-assessment and had been embedded within Service Business Plans for 2013-14. Each service had an annual Service Performance Challenge which examined progress against Service Business Plans. Significant progress had been made against the areas of improvement highlighted within the 2011-12 performance evaluation report. However, progress had not been as significant as had been anticipated in the following areas:-

- Levels of sickness absence. Despite stronger management accountability, and more rigorous reporting and monitoring within both services, staff sickness levels do remain high in comparison with the rest of the authority. This therefore remains as a high priority for both services.
- Improved consistency in the provision of support to families following de-registration from the child protection register. However, it should be noted that progress has been made in this area with clear transitional arrangements within services (Integrated Family Support Service; Team Around the Family; Families

First) that ensure an appropriate service response to families as their needs improve and/ or deteriorate.

A presentation was provided by Mr Peter Graham, CSSIW Regional Director, in respect of Denbighshire County Council's Annual Council Reporting Framework 2012/2013 which included:-

- key areas of progress for 2012/13 and areas for future improvement.
- A summary of the ambitious programme of modernisation, continued progress, strong leadership, use of service challenge approach, the Director's report providing a coherent narrative, the modernisation programme and the Wales Audit Office having indicated that the Council has ambitious but deliverable plans with effective medium term planning.
- Adult Services
 - the Council's emphasis on early intervention, prevention and reablement provided that fewer people were being supported in residential care.
 - on-going support provided for service users in their communities, with many benefiting from short term support packages to re-establish their independence.
 - recognition of the need to improve the provision of support to carers.
 - issues relating to ensuring timely engagement, decision making and action at a strategic level with the LHB. The commitment to achieving more effective engagement within BCUHB remained high.
- Children's Services
 - performance against a significant range of national indicators remained high.
 - an effective response provided to incoming referrals. Denbighshire performed well in fulfilling responsibilities regarding child protection and children in need.
 - the need to improve services to young carers and care leavers had been recognised and action had been taken to achieve this.
 - the Council had maintained and improved in a number of key indicators relating to looked after children. A number of key indicators performance had deteriorated, this required further analysis to absorb the reasons underlying the change in performance and the action required to achieve improvement.
- The following potential risks had been identified by CSSIW:-
 - Continuing ability to influence locally focused strategic planning with the BCUHB.
 - Achieving a smooth transition when the current Director retires next year.

Councillor M.L. Holland emphasised the importance of improving the connection with the Health Board and highlighted long term concerns relating to moving care into the community.

Chair emphasised that it would be vital that the Council engage with Health Authority. He endorsed the view expressed by the Regional Director CSSIW that the local connections were good but the strategic levels required improvement. The CD:MW referred to the establishment of the Health and Social Care Board. However, concern was expressed regarding the inconsistency of BCU representation, which they had now agreed to address. The Chair of BCU had undertaken a partnership review to examine their relationship with LA's, and a form of area management would be pursued following the appointment of the new Chief Executive, which would assist the LA in lining up their services. Members were informed that the Partnerships Scrutiny Committee would be receiving a report on a Framework for Integrated Services for Older People

Mr P. Whitham questioned whether a summary of the detailed comments pertaining to risks in Appendix 2 would be identified as mitigations in the Corporate Risk Register. The CD:MW referred to the Individual Service Risk Registers which provided in-depth details and clarification of risks identified.

In response to concerns raised by the Chair regarding sickness levels, the CD:MW referred to the Service Challenge Process and the general acceptance that both services, at senior and middle management levels, had appropriate management systems in place in terms of managing sickness and details of the process were summarised. Confirmation was provided that the implementation of the Attendance Policy would assist in addressing the issue, and this was an objective for the respective Lead Member. The Regional Director CSSIW expressed the view that the emotive and emotional type of front line work being undertaken reflected in the sickness levels being experienced. He emphasised the importance of having a clear Attendance Policy and strategy in place to provide support for staff when off sick. The CD:MW informed the Committee that it had been anticipated the Attendance Policy would be implemented in April, 2014.

The CD:MW informed the Committee that an explanation for the deterioration in the percentage of children who had a health care plan in place, and educational assessments, had been provided by the Head of Children and Family Services in Appendix 2 to the report.

In reply to concerns expressed regarding the area identified for improvement, which related to the deregistration of children who were on the `at risk register`, the CD:MW made reference the 4.6 of the report which identified the progress made with clear transitional arrangements within services, Integrated Family Support Service; Team Around the Family; Families First, which ensured an appropriate service response to families as their needs improved or deteriorated.

During the ensuing discussion the Chair and Members of the Committee wished the CD:MW all the best in her pending retirement, and thanked her for all her assistance and work undertaken with the Committee.

The Chair summarised the salient points and issues raised during the discussion, which included:-

- To note the importance of the Council's engagement with the Health Board, particularly at a strategic level. The Chair informed Members that he would raise the matter at the Chairs and Vice Chairs Group.
- To monitor the progress of the Attendance Policy.
- To monitor and ensure a smooth transition period when the current Corporate Director: Modernising and Wellbeing retires, and to examine the induction process for the new Corporate Director.

RESOLVED – *that the Corporate Governance Committee:-*

- (a) receives and notes the contents of the CSSIW evaluation and the associated progress report from social services.*
- (b) notes the importance of the Council's engagement with the Health Board, particularly*
- (c) at a strategic level*
- (d) monitors the progress of the Attendance Policy, and*
- (e) monitors and ensures a smooth transition period when the current Corporate Director: Modernising and Wellbeing retires, and examines the induction process for the new Corporate Director.*

6 DRAFT BUDGET UPDATE

A report by the Head of Finance and Assets, previously circulated, provided the third update with regard to the process of setting the Council's budget for 2014/15.

Councillor J. Thompson-Hill provided a summary of the report. He explained that an analysis of the Draft Local Government Settlement and the consequences for the Council had indicated that savings of approximately £8.5m would be required. The budget process had to date resulted in savings of £1.7m for 2014/15 being approved by County Council in September (Phase 1) and £4.7m (Phase 2) on 3rd December.

The savings included in Phase 2 had been presented to a Member Workshop in October with Lead Members, providing details of the saving, the impact and an assessment of risk. Members had been invited to comment on any of the proposals prior to the Council in December. Responses were received in respect of savings proposed in the school music service (£52k) and a review of the work opportunity service for adults with a learning disability (£50k). Further detail in support of the music service saving had been reported to Council, and a Task and Finish Group had been established to oversee the review of work opportunities.

The budget process to date had identified savings of £6.459m, leaving a gap of approximately £2.0m and this had been the focus of the Member Workshop held on the 9th December. Details from this session had been included in the Appendix to the report and included:-

Final Local Government Settlement - The Settlement had been published on the 11th December and was largely unchanged from the Draft settlement. The most notable change being the Council Tax Reduction Scheme Pensioner Grant to the Revenue Support Grant, which now formed part of the Council's base budget.

Third Budget Workshop - The workshop had been held on the 9th December, 31 members. The key theme presented details and options to be considered to bridge the £2m budget gap for 2014/15.

The key information presented included:

- An update of the in-year position of social care and education budgets
- Analysis of school funding
- Options to increase school budgets
- Review of balances and reserves
- Corporate Plan update
- Council Tax options
- Additional Savings Proposals
- Recommendation

The additional saving proposals for 2014/15 related to bringing forward savings previously identified for 2015/16 and total £395k. £95k related to bringing forward restructures in Business Planning and Performance and £300k was the proposed removal of the budgeted contribution to balances one year earlier than originally planned. The recommendation included a proposal to use a general balances as part of the budget in 2014/15.

The final budget proposals would be presented to Council on the 27th January, 2014. This would include a range of options and a recommendation for the level of Council Tax increase for 2014/15, and a detailed report on Council Tax levels would be approved by County Council in February. The CA referred to the consultation process and possible ways in which the Committee could improve Member engagement. The Chair felt that circulation of the papers for consideration, prior to the Workshop had assisted and informed the debate.

A recent budget workshop had revealed that the Council Tax level would be the key debate in the final phase of approving the 2014/15 budget. A range of Council Tax options, and their financial implications, would be presented to Council in January. In terms of the budget process the views of the Corporate Governance Committee would be welcomed on ways of encouraging engagement and debate with individual Members or groups prior to the report being presented to Council.

The officers provided the following responses to matters and issues raised by Members:-

- Confirmation was provided that Members had been encouraged to raise any issues about the proposals with the Lead Member or the Head of Finance and Assets at any point prior to formal proposals being taken to Council for approval.
- The general consensus of opinion at the recent Workshop had been that the level of Council Tax increase should be 3%. Councillor Thomson-Hill explained that although this was the target further consideration might be required depending on other balancing elements, such as the risk aspect.

- The issue of the removal of funding for a Trade Union official by the Authority had been raised previously at Service Challenge meetings. It was explained that it had been felt that the potential ramifications of such action outweighed the possible savings. The CA informed Members that negotiations regarding this issue could be undertaken with the Trade Unions at a future date.
- The Committee were informed that Member attendance figures at the Workshop had been influenced by the flooding in the County.
- The CA provided details of the alarming increase in pension costs to the Authority and confirmed that these could increase by 20% over the next three years. Reference was made to the recent changes in legislation which impacted on the figures, together with, changes to overtime regulations.
- In response to a question from Mr P. Whitham regarding risks relating to the consequences of failing to meet the requirements of encouraging engagement and debate with Members, the CA provided details of the consultation and dialogue processes adopted.
- Members were informed that planning for 2015/16 had already commenced and would escalate following approval of the 2014/15 budget. The Committee noted that future budget planning would be extremely challenging and Member involvement in the decision making process would be crucial.

In reply to a question from Councillor M.L. Holland regarding the remit of the Committee in respect of interaction with external bodies, Members agreed that issues pertaining to Clwyd Leisure be included on the Agenda, as a Part II item, for the next Corporate Governance Committee.

Following further discussion, it was:-

RESOLVED – *that the Corporate Governance Committee:-*

- (a) *receives the report and notes the latest position and progress made to date, and*
- (b) *agrees that a Part II item on Clwyd Leisure be included in the Committee's Forward Work Programme for the January, 2014.*

7 INFORMATION MANAGEMENT STRATEGY

A report by the Head of Business, Planning and Performance (HBPP) had been circulated previously.

The HBPP introduced the report and highlighted the need to ensure that the Council managed its information effectively, enabling them to realise and exploit its true value as a corporate asset in support of achieving business priorities, delivering efficiencies and reducing risk. An Information Management Strategy, Appendix 1, had been developed to provide the corporate framework for managing the Council's information assets, and had been approved the adoption by SLT. Members were informed of the improved governance of the Council's information that the Strategy would provide.

Public sector organisations were under increasing pressure to deliver business efficiencies, whilst ensuring business continuity and risk management. In addition,

there was more external scrutiny of how public organisations manage their information with a move towards greater openness and transparency around the information held, and greater levels of regulatory requirements which necessitated more rigorous protection of information resources. The Corporate Improvement Manager (CIM) outlined the information security requirements, making particular reference to the Public Service Network and to the transparency agenda.

The absence of a defined corporate framework to manage information had resulted in information management practices being inconsistent across the organisation, and details of the several challenges created as a result had been included in the report.

Since 2008, reports from both the Wales Audit Office and the Council's Internal Audit team had identified weaknesses in the way the Council managed its information. The Council had provided a greater focus to information management matters through the formation of the Corporate Information Team at the end of 2012. The Corporate Information Team had now developed an Information Management Strategy to address the challenges identified and to embed the required improved working practices in the following areas identified in the report:-

- Information Compliance
- Information Access
- Information Assurance
- Information Quality
- Information Retention and Disposal
- Information Training and Awareness Raising

The framework depicted in the Strategy would support the Council in achieving the corporate priorities, by:-

- Ensuring our information can be quickly and easily identified;
- Ensuring our information is protected, according to risk;
- Ensuring our staff and members have the required levels of competencies to manage information appropriately;
- Ensuring our information meets statutory requirements; and
- Ensuring our vital records are identified and protected accordingly.

Funding for the EDRMS project had been approved by CET for a further 3 years, and there were several actions contained within the Information Management Strategy which would direct impact upon all Officers and Members, these included:-

- Mandatory Training
- File-naming
- Email Policy
- Privacy Impact Assessment
- Proactive publication of information
- EDRMS

Members acknowledged the enormity of the task involved, its importance and the need for an understanding of the risks relating to the Information Management Strategy process.

The following responses were provided to issues raised by Mr P. Whitham:-

- With regard to Revision to DCC007: *'The risk that critical or confidential information is lost or disclosed'*. Mr Whitham explained that there had been no reference to the Strategy as a mitigation or reference in the report to it being a Corporate Risk, and suggested that they should be interlinked.

- Mr Whitham question whether the Strategy was being managed as a project and had a project plan been implemented to monitor progress. The HBPP outlined the role of Internal Audit and confirmed that the Authority were keen to monitor progress and ensure the Committee received progress reports. The view expressed by Mr Whitham that an overarching management programme be adopted was supported by the HBPP.

- The Committee agreed that under the heading "Scope" on Page 54 of Appendix 1 "Information Management Strategy applies to all information held by the Council irrespective of format" should include clarification that this includes officers and Members. Mr Whitham referred to "The Council has a duty to schools and as such schools are welcome to adopt this strategy should they wish" and suggested that stronger implementation powers should be introduced. The HBPP explained that the Authority were only in a position to provide advice and assistance to schools.

- In response to a question from Mr Whitham, regarding the provision of an assurance that various policies, protocols and procedures placed on the Council's electronic website could be found and accessed, the CPOM highlighted the importance of easy access and outlined the various mechanisms available. He explained that the maintenance of a register, through e-learning, could provide details of access and monitoring usage. The Chair emphasised the importance of Information Management and the provision of training throughout the Council in relation to the dissemination of information.

In reply to concerns raised by Councillor M.L. Holland regarding risk compatibility of system, Members were assured that the system used by Denbighshire was compatible with those utilised by other neighbouring LA's. Councillor Holland felt the provision of clear guidelines to users of the system would be imperative during the transition period. The HBPP expressed the view that the issue of staff working from home did not present a security risk to the Authority.

During the ensuing discussion, it was:-

RESOLVED – that Corporate Governance Committee:-

(a) receives the report and notes the Council's framework for managing its information assets, as detailed in the Information Management Strategy.

- (b) notes that the risks highlighted in respect of the Information Management Strategy and Policy be incorporated in the Corporate Risk Register, and noted as a mitigating factor.*
- (c) proposes that the management approach to the Strategy be project managed.*
- (d) requests the provision of mandatory training for both Elected Members and staff in relation to the Strategy.*
- (e) acknowledges the importance of the work in question.*
- (f) requests that a copy of the Forward Plan be presented to the Committee in January, 2014, and*
- (g) agrees that an invitation to attend specialist training on Data Protection be extended to Members of the Committee.*

8 CHANGE TO INTERNAL AUDIT MANAGEMENT ARRANGEMENTS

A report by the Head of Business, Planning and Performance (HBPP), which provided details of a proposed change of line management for the Head of Internal Audit (HIA) and a relocation of the team from Finance and Assets (FA) to Business Planning and Performance (BPP), had been circulated previously.

The HBPP introduced the report which provided information on a proposed change in service structure affecting Internal Audit (IA). An assurance was provided that this would not compromise the effectiveness of the IA function.

The configuration of services delivered by SLT had developed continuously to maintain the focus on the Council's objectives, and to keep pace with operational demands. The need to realise savings had created unprecedented challenges for the Council, with particular pressures set for the next 2 financial years. The challenge for support services entailed working out how to do things as efficiently as possible. It would be critical that services were proactive, and actively prepared for reductions in resources by aligning and streamlining processes wherever possible, looking for synergies and commonalities which could allow rationalisation and orientating service configuration firmly around the Council's priorities.

The IA function was currently part of FA with the HIA reporting to the HFA. However, there was an increasing overlap with the work of BPP, especially as IA had moved towards 'service improvement' as a significant focus. The focus on improvement was a useful innovation for the Council, but the overlap with the Improvement Team in BPP had developed to the point where the issue of potential duplication had been raised. It would be important in the current financial climate that 'corporate' demands on customer facing services were addressed and kept to a minimum.

Integrating the work of the two functions more closely would eliminate this issue, and would provide additional benefits as detailed in the report. This could be accomplished by the AT becoming part of BPP, with the HIA being line managed by the HBPP. This would maximise the opportunities for programme alignment and for sharing work, particularly research, and help to minimise the 'burden' on front-line services. Benefits would be most obvious in the area of improvement and performance related work, but benefits derived from cohesion are likely across both

teams' programmes. Most of the current arrangements would remain as they are though, including important safeguards on independent action:

- A key element of the Internal Audit programme would remain focused on financial and internal control, directed by the Section 151 officer.
- The independence of the role would continue to be guaranteed as the HIA would still retain a reporting link through to the Section 151 Officer and the Chief Executive.
- The Committee would continue to oversee the function as a whole, including the IA report and the production of the Annual Governance Statement.

It was explained by the HBPP that the move would streamline the Council's improvement work by potentially creating opportunities for efficiencies in the future, reducing the burden on front-line services and enhancing the Council's ability to support transformational change whilst protecting core audit functions.

In response to questions from Mr P. Whitham relating to the provision of a structure chart and reporting process, the HIA referred to the Internal Audit Charter, which would be amended and submitted to the Corporate Governance Committee for approval, along with the Internal Audit Plan. The Committee were informed that it had been anticipated that the changes would be implemented from the 1st January, 2014, and details of the relocation plans were provided. Confirmation was provided that compliance with best practice, such as Chartered Institute of Internal Auditors, would be attained.

The report incorporated details of the consultations process carried out and the steps taken to address any possible risks.

RESOLVED – that Corporate Governance Committee notes and supports the proposed review of Internal Audit management arrangements.

9 CORPORATE RISK REGISTER REPORT

A copy of a report by the Head of Business, Planning and Performance, on the November, 2013 formal revision to the Corporate Risk Register, had been circulated with the papers for the meeting.

The Corporate Improvement Manager (CIM) introduced the report which incorporated the latest version of the Corporate Risk Register, as agreed at Cabinet Briefing. Formerly the report had been submitted only to CET. However, including Members in its development and management had been prudent. It had been considered that the most effective way would be to involve Lead Members at Cabinet Briefing.

A summary of the main issues to note for the Corporate Risk Register had been listed in the report. The CIM made reference to the following issues highlighted:-

Revision to DCC004: *'The risk that the HR framework doesn't support the organisation's aims'*. The inherent and residual risk score remained identical. However, a platform for improvement had been laid out and it had been anticipated

that the risk level would reduce in the near future.

Removal of DCC015: *'The risk that the collaborations that Denbighshire participates in don't deliver their forecast benefits and/or have an adverse impact in terms of finance and/or quality of service'*. In response to a question from Mr P. Whitham regarding the implications of new collaborations currently being promoted, the CIM explained that the risk had been removed, as any major collaborations the Council were involved in were now embedded, and their performance and risks would be managed at service level. The HBPP referred to possible future risks and also made reference to the outcome of the Williams Commission. It was explained that the reviews would be undertaken on a six month basis and the next review would coincide with the finalisation of the budget. The HLDS confirmed that new risks could arise pending the outcome of the Williams Commission.

Revision to DCC016: *'The risk that the impact of welfare reforms is more significant than anticipated by the council'*. A mitigating action to strengthen the governance of the Group had been to include the Chair of the Corporate Governance Committee on the Group.

The Chair made reference to Revision to DCC007: *'The risk that critical or confidential information is lost or disclosed'*, and Revision to DCC013: *'The risk of significant financial and reputational liabilities resulting from management of some Arm's Length organisations'*. He explained that risks had arisen recently due to recent events on the coastal strip, pertaining to arm's length companies, which had been beyond the control of the Council. The HBPP explained that circumstances relating to risks could change on a daily basis, and he confirmed that theoretically and formally the Risk Register could be updated at any time.

Details of the consultations undertaken, the Chief Finance Officer Statement and the risks and actions implemented to address them had been included in the report.

RESOLVED – *that the Performance Scrutiny Committee notes the deletions, additions and amendments to the Corporate Risk Register.*

10 INDEMNITY FOR MEMBERS

A report by the Head of Legal and Democratic Services (HLDS), about a proposal for all 22 unitary authorities to agree a voluntary cap on the level of indemnity made available to elected members in respect of proceedings relating to alleged breaches of the Code of Conduct which provided, had been circulated previously.

The HLDS introduced the report which sought a recommendation to Council that the indemnities available to Members involved in Code of Conduct hearings be capped at a maximum figure of £20,000. Concerns had been expressed regarding the scale of indemnities provided by LA's to Members in such circumstances by, amongst others, the WLGA, the Public Services Ombudsman for Wales and the Chair of the Adjudication Panel for Wales. A letter from the then Minister for Local Government and Communities regarding the ethical framework, which contained reference to a voluntary cap on indemnities being imposed by LA's had been

considered by the Standards Committee who indicated their support for such a measure.

The Ombudsman had originally proposed a cap of £10,000 but the WLGA Council approved a cap of £20,000 on the basis that the level proposed by the Ombudsman was insufficient cover given the complexities of some cases. The WLGA Council further agreed that LA's should consider, on a case by case basis, whether and to what level to grant an indemnity but that no indemnity should exceed £20,000.

In Denbighshire the Corporate Governance Committee had the power to consider the level of professional representation of a Member under the terms of the form of indemnity to Members and officers approved by Council on 23rd September, 2008. The level of indemnity had implications not only in terms of managing the potential for significant legal costs but the impact on senior Council officers' and other public servants' time. There was also the potential, in the absence of a cap, for there to be a legal 'arms race' which could result in increased cost. The Ombudsman had agreed that, in each case, his own legal costs would not be allowed to exceed the level imposed by the proposed cap.

The HLDS summarised the key issues pertaining to the report and explained that if the Committee recommend the proposed cap to Council, the terms of the form of indemnity would be amended by the insertion of the words shown in italics in the document attached as Appendix 1 to this report.

In response to questions from the Chair regarding the role and remit of the Committee, and any determining factors in relation to deciding any future applications for indemnities, the HLDS outlined possible protocols which might be considered. He suggested that factors which might be taken into consideration could include the nature and severity of the allegation being made, and the availability of resources, advice and guidance to the respective Member.

Following further discussion, Members of the Committee:-

RESOLVED – *that Corporate Governance Committee recommends to Council that:-*

- (a) the Corporate Governance Committee considers, on a case by case basis, each application for a costs indemnity in order to decide whether an indemnity should be given at all.*
- (b) if, in any individual case, an indemnity is to be given in respect of matters relating to a breach of the Members' Code of Conduct, the Corporate Governance Committee should decide on the amount of that indemnity up to a maximum of £20,000, and*
- (c) the Council's Constitution and form of indemnity be amended as necessary to reflect these decisions.*

11 INTERNAL AUDIT PROGRESS REPORT

A report by the Head of Internal Audit, which provided an update on Internal Audit's latest progress in terms of its service delivery, assurance provision, reviews

completed, performance and effectiveness in driving improvement, had been circulated previously.

The HIA introduced the report which provided an update in respect of:-

- delivery of the Assurance Plan for 2013/14
- recent Internal Audit reports issued
- management's response to issues raised
- Internal Audit's performance
- Internal Audit Progress

A breakdown of work during 2013/14, compared to the Internal Audit Strategy, had been incorporated in Appendix 1. It included assurance scores and number of issues raised for the completed reviews, definitions used to form the audit assurance and the ratings used to assess the risk-levels for issues raised.

A summary of recent Internal Audit Reports was provided, together with, details of the colours utilised for assurance ratings. Reports issued since November 2013 had been circulated, and Executive summary reports and Action Plans had been appended to the report for further information which incorporated:-

- Thinking and Assessment for Learning Grant 2011-12
- Financial Assurance 2013/14 – Rhyl based Services
- Welfare Advice
- Corporate Health and Safety

Most Internal Audit reports identify risks and control weaknesses. These had been rated as critical, major or moderate risk and management had agreed actions to address the risks, including responsibilities and timescales.

All instances where management had failed to respond to follow up work, or where they had exceeded the agreed implementation date by more than three months, had been reported. Any decision on whether to take further action would be taken by the Committee. It was confirmed that the following reports had been followed up and there were no responses outstanding:-

- Countryside Operations
- Fostering Service
- Deputy for Finance (Court of Protection)
- Ysgol Clawdd Offa, Prestatyn
- Pavilion Theatre, Rhyl
- Public Realm

A summary of Internal Audit Performance had been included in the report, and both Essential Assurance and Customer Standards had achieved 100% ratings. The HIA informed Members that Internal Audit were currently in the process of tendering for the North Wales Police audit.

A copy of the Internal Audit follow up report on Ysgol Clawdd Offa, Prestatyn had been incorporated as an Appendix to the papers for the meeting, as requested by

Members on the 4th September, 2013. The HIA confirmed that the School had made significant improvements since the report in June 2013. Of the 21 issues raised, 17 had been fully addressed and the other 4 were in progress, with only a small amount of work needed to complete them.

The Action Plan provided details of the progress made and a brief explanation of what the School needs to do to complete those outstanding issues. If the School provided evidence that the actions had been completed by the end of December 2013, further follow up visits would not be required. It was hoped that the School would sustain the progress and improvements made, and the Audit Opinion rating had been adjusted to Medium Assurance, pending the completion of the outstanding actions.

RESOLVED – *that Corporate Governance Committee:-*

- (a) notes Internal Audit's progress and performance to date in 2013/14, and*
- (b) receives and notes the recent Internal Audit reports issued and follow ups carried out, including Ysgol Clawdd Offa. Prestatyn.*

12 CORPORATE EQUALITY MEETING FEEDBACK

Councillor M.L. Holland reported that the Corporate Equality Group had not met since the previous meeting of the Corporate Governance Committee.

13 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 Committee Forward Work Programme subject to the inclusion of the following reports:-

29th January, 2013:-

- Clwyd Leisure (Part II item).
- Information Management Strategy – Forward Work Programme.

RESOLVED – *that, subject to the above, the Committee approves the Forward Work Programme.*

Meeting ended at 12.55 p.m.