

## **CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1A, County Hall, Ruthin on Wednesday, 5 November 2014 at 9.30 am.

### **PRESENT**

Councillors Joan Butterfield, Martyn Holland, Gwyneth Kensler (Vice-Chair), Jason McLellan (Chair) and Mr P. Whitham (Lay Member).  
Councillors J. Thompson-Hill and B.A. Smith attended as observers.

### **ALSO PRESENT**

Head of Legal, HR and Democratic Services (GW), Head of Internal Audit (IB), Head of Customers and Education Support (JW), Chief Accountant (RW), Acting Strategic Procurement Officer (SA), Corporate Improvement Officer (NK), Corporate Complaints Officer (COG), Wales Audit Office Representatives (GB) and Committee Administrator (CIW).

### **1 APOLOGIES**

Councillors S.A. Davies and H.C Irving.

### **2 DECLARATIONS OF INTEREST**

Agenda Item 6: Corporate Risk Register Review – A personal interest was declared by Councillor M.L. Holland. The reason for the declaration was that he was a Director of the Denbighshire Enterprise Agency.

### **3 URGENT MATTERS**

In accordance with the requirements of Section 100B(4) of the Local Government Act 1972, the Chair declared that he intended to include for discussion the following matter requiring urgent attention under Part II:-

#### **(i) Information Reports:-**

(a) Progress on the Annual Internal Audit Assurance Plan 2014/15 – In response to a question from Mr P. Whitham regarding the self-assessment undertaken by Internal Audit, the HIA agreed that the Action Plan arising from the assessment in respect of improving the service could be presented to the January, 2015 meeting of the Committee.

#### **(IB to Action)**

(b) Report on the Food and Feed Law Enforcement Service - In response to concerns raised by Mr P. Whitham regarding the timescale for the distribution of the document, and the possible need to raise the profile of the report, the HIA explained that the presentation of the report was part of a process to address any outstanding External Regulatory Reports.

## **(ii) Invitation to Good Governance Course**

The HLHDS informed the Committee that he would circulate an invitation, received from the Welsh Audit Office, for nominations for five representatives to attend a Good Governance Course, being held at Llanrwst on the 11<sup>th</sup> December, 2014.

**(GW to Action)**

## **4 MINUTES**

**(a)** The Minutes of a meeting of the Corporate Governance Committee held on 3<sup>rd</sup> September, 2014.

Matters arising:-

6. Corporate Governance Committee Annual Report – Members were informed that the Corporate Governance Committee Annual Report would be included on the Council Forward Work Programme for its meeting on the 3<sup>rd</sup> February, 2015.

**(JM (Chair) & GW to Action)**

5. Blessed Edward Jones RC High School Update – In reply to a question from the Chair regarding the request that the Internal Audit report on the financial management of schools be presented to the Committee, the HIA confirmed that the report could be presented to the December, 2014 meeting of the Committee.

**(IB to Action)**

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

**(b)** The Minutes of a meeting of the Corporate Governance Committee held on 29<sup>th</sup> September, 2014.

Matters arising:-

6. Governance Improvement Plan – The HIA explained that the progress update in respect of the Procurement Strategy would be incorporated in the Construction and Services Update Report to be presented to the December, 2014 Committee meeting.

**(IB to Action)**

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

## **5 BUDGET PROCESS 2015/16**

A report, and confidential Appendix, by the Head of Finance and Assets (HFA), which provided an update on the process to deliver the revenue budget for 2015/16, had been circulated previously.

The HFA introduced the report which provided an update on the process to deliver the revenue budget for 2015/16, which had moved into its second phase since the last update. Appendix 1 provided the illustration of the budget process, and a table of key events in the process had been included in the report

The first round of budget workshops had concluded on the 22<sup>nd</sup> September. The workshops had been well attended with wide ranging debate and numerous questions being asked. Members had been requested to express views as to whether saving proposals should be 'adopted', 'developed', or 'deferred'. In addition, Members had been taken through each service's budget and invited to comment on each one. Proposals which Members indicated they would be content to adopt were taken to County Council for approval on 9<sup>th</sup> September. The proposals taken to Council as Phase 1 savings totalled £3.7m for 15/16 and £870k for 16/17.

The Council's budget strategy had identified a budget gap of up to £18m over two years. This was primarily driven by indications that the Council's funding settlement would be cut by 4.5%. The Draft Local Government Settlement had been published on the 8<sup>th</sup> October, and the settlement had indicated that the cash reduction to the budget would be 3.7% which equated to £5.3m. With cost pressures the Council had to fund the budget gap for 2015/16 was now approximately £8.2m and estimated to be approximately £8.8m in 2016/17. The CA highlighted potential pressures which could arise as a result of adjustments, both in and out, which related to specific grant funding, particular reference was made to the impact surrounding the Regional Collaboration Fund for Social Care programme. At the request of the Chair, the CA agreed to provide details of the implications on the budget in respect of the grant funding pressures.

The second phase of the budget process had almost been completed. Members had identified proposals totalling £3.2m for 2015/16 and £1.8m for 2016/17 which would seek approval in December. If all the proposals taken to the final October workshop were recommended for approval then the totals would be £4.0m for 2015/16 and £2.1m for 2016/17 from Phase 2.

Phase 2 proposals would be presented to Cabinet and then to Council for approval in December. Phase 3 would consider final proposals to balance the 2015/16 budget, including options for Council Tax and any use of reserves. These issues would be discussed at the Member Workshop in December before final approval in February. Phase 3 of the process would also continue to develop savings options for 2016/17. Details of the consultation process adopted in respect of the budget cuts had been summarised in the report.

The Chair referred to the remit of the Committee to examine the budget setting process which he felt had been open and transparent; however he had been made aware of issues raised with regards to the Welfare Advice Services Review. He highlighted the implications for services users and the wider community, the risks identified in the July budget workshop regarding redundancies, and the Corporate Priority to improve the local economy.

Reference had been made to the review undertaken by various Groups, including third sector organisations. The Chair questioned the reason for only one of the models considered under the review having been presented to Members for deliberation. The CA outlined the process utilised and adopted for the consideration of options, and agreed to provide Members of the Committee with a copy of the Welfare Advice Services Review report. Members agreed that a review of the process utilised regarding the Welfare Advice Services Review be undertaken by the Committee, together with, the proposals pertaining to Rights of Way which had been highlighted by Councillor G.M. Kensler.

Mr P. Whitham felt that as the remit of the Committee included reviewing risks, and there would be an inherent risk emanating from the budget setting process, the opportunity could be taken to ensure that the process was robust and the information provided to Members to make decisions was appropriate.

The CA provided details of the risks arising from the implementation of decisions taken with regard to the budget setting process and cuts for 2015-16 and 2016-17. He confirmed that a mechanism was in place to revisit identified cuts, which included monthly reports to Cabinet, and this provided the opportunity to identify any non-achievement.

In reply to a request from Councillor G.M. Kensler, the CA agreed that a list of services scrutinised by the budget workshops, including dates, could be provided. He also explained that charges for green waste collection could be included in within the council tax bills of residents wishing to utilise the service.

The HLHDS outlined the purpose of the Freedoms & Flexibilities process, to challenge services regarding the way in which they delivered services, and to then present options to Members to assist with the budget decision making process. Members had also been provided with full information on service budgets in order that they could seek additional information or suggest alternative measures. He referred to the Budget Protocol which had been agreed by Council on the 4<sup>th</sup> November, 2014 which provided Members with the opportunity to examine alternative suggestions.

The Chair explained that he and Members of the Committee had concerns regarding some of the elements of the budget process in terms of the provision of information on various models of provision coming from freedoms and flexibilities. Members of the Committee agreed with the following suggestion submitted by the HLHDS that:-

In order to test and seek assurance on the transparency of the budget process the Committee seek further information on alternative options considered during the view of Welfare Rights, as a representative example. Members also agreed that the Rights of Way proposal be included.

At the request of the Chair, the CA agreed that information in respect of grants be provided.

**RESOLVED** – that Corporate Governance Committee:-

- (a) receives and notes the contents of the report.
- (b) seeks further information on alternative options considered during the view of Welfare Rights and Rights of way, as representative examples.
- (c) requests that the CA provides details of the implications on the budget in respect of the grant funding pressures, and
- (d) agrees that a list of services scrutinised by the budget workshops, including dates, could be provided.

**(RW to Action)**

## **6 CORPORATE RISK REGISTER REVIEW**

A report by the Head of Business, Planning and Performance (HBPP), which sought consideration of the formally updated version of the Corporate Risk Register (CRR) agreed at Cabinet Briefing, had been circulated previously.

With the aid of a PowerPoint presentation, which detailed the VERTO system available to all Members on the Council's Intranet Web Site, the Corporate Improvement Officer (CIO) provided a detailed summary of the report.

The CRR enabled the Council to manage the likelihood and impact of risks that it faced by evaluating the effect of any current mitigating actions, and recording deadlines and responsibilities for further action which should enable tighter control. It had been developed and owned by CET and the revision process had been detailed in the report.

The Register was formally reviewed twice yearly by Cabinet and CET. Any significant new or escalating risks identified would be presented to CET, via Corporate Improvement Team. CET would then decide as to whether the risk should be included in the CRR.

Following each formal review of the Register the revised document would be presented to the Corporate Governance Committee. Actions identified to address corporate risks would be included in Service Plans, where appropriate, which would enable the Performance Scrutiny Committee to monitor progress. Any performance issues relating to the delivery of these activities should be highlighted as part of the Service Performance Challenge process.

The Council's Internal Audit (IA) function provided independent assurance on the effectiveness of the internal control procedures and mechanisms in place to mitigate risks across the Council. It also offered independent challenge to ensure the principles and requirements of managing risk were consistently adopted throughout the Council. IA Services also utilised information from the service and CRR to inform its forward work programme.

The CIO referred to Appendix 1 to the report which incorporated the main changes made to the Corporate Risk Register, along with any points of note. A summary of the following Actions was provided by the CIO:-

- Revision to DCC007: 'The risk that critical or confidential information is lost or disclosed'.
- New risk, DCC027: 'The risk that the decisions that are necessary to enable the delivery of a balanced budget are not taken or implemented quickly enough'.
- New risk, DCC029: 'Risk of successful challenge that we are illegally depriving people of their liberty'.

The CIO responded to questions from Members, and the following issues were highlighted:-

- DCC013: 'The risk of significant financial and reputational liabilities resulting from management of some Arm's Length organisations'. Councillor G.M. Kensler questioned the expected delivery date of March 2015 in view of the proposed budget cuts. The CIO confirmed that the risk identified related to the management of the organisations.
- DCC018: 'The risk that programme and project benefits are not fully realised'. The COI confirmed the action ensured that the projects implemented realised the benefits on which the Business Case had originally been agreed.
- DCC021: 'The risk that effective partnerships and interfaces between BCU Health Board and Denbighshire County Council (DCC) do not develop, leading to significant misalignment between the strategic and operational direction of BCUHB and DCC'. The CIO confirmed that the risk would be reviewed in March of April, 2015.
- DCC028: 'The risk that the services that we scale back have a greater negative impact than we anticipated'. It was explained that the mitigating risks would be submitted to the Committee following a six month period. In response to concerns expressed that the three identified red residual risks could be subject to regular reporting, the HIA provided details of the remit of Internal Audit in monitoring high residual risks.

The HLHDS provided details pertaining to the role and remit of the Corporate Governance Committee which was to ensure that there was a proper Risk Management process and procedure in place, and that the management of individual risks would be a performance scrutiny function. He confirmed that issues could be recommended by the Corporate Governance Committee for scrutinisation.

**RESOLVED** – *that Corporate Governance Committee:-*

- (a) *notes the deletions, additions and amendments to the Corporate Risk Register, and*
- (b) *requests that Members comments during the debate be noted accordingly.*

**(GW & NK to Action)**

The Chair informed the Committee that the remaining agenda items would be taken in the following order:- 9, 10, 11, 12, 7, 8, 13, 14, 15.

## **7 FINANCIAL PAYMENT TO CARE LEAVERS - UPDATE**

A report by the Head of Internal Audit (HIA) (copy enclosed) which provided an update on progress with the action plan included in the Internal Audit (IA) report on Financial Payments to Care Leavers issued in March 2014.

A report had been issued by IA on Financial Payments to Care Leavers in March, 2014, which had included an Action Plan with four Moderate Issues that had 14 actions agreed to address the issues. On the 15<sup>th</sup> April, 2014, the Committee expressed some concerns that the current payment process was unsustainable and requested that the IA follow-up review be reported to the Committee once completed.

Appendix 1 provided a progress update on the Action Plan which indicated that only five actions had been completed, with a further three in progress. Six actions had not been addressed, including the main issue raised, Issue 1, which required a complete review of the process for making payments to care leavers. Following initial discussions, there had been no liaison between Social Services and Revenues and Benefits to discuss a corporate approach. Lack of progress on this key issue had also impacted on other issues within the Action Plan. A further Internal Audit follow up is scheduled for January, 2015.

The Chair concurred with the views expressed that the headline action, that a meeting had not been held between the Head of Revenues and Benefits and the Service Manager - Looked After Children, had a detrimental impact on some of the other identified actions. Concerns regarding the lack of progress in implementing the agreed actions, and failure to meet deadlines, were expressed by the Committee, particular reference was made to Action No. 1 not having been completed. He suggested that more background detail and context be provided from Social Services on the impact the lack of action was having on the service users. The HIA confirmed that the current process utilised had been identified as dated and required reviewing.

The Committee supported Councillor J. Butterfield's suggestion that the Head of Revenues and Benefits and the Service Manager - Looked After Children be invited to attend the December, 2014 Corporate Governance Committee to explain the lack of progress and provide assurance that the action plan was now being progressed. Members requested that a further report be presented to the Committee providing more detail and context on the impact the lack of action was having on service users.

**RESOLVED** – *that Corporate Governance Committee:-*

- (a) *receive the report.*
- (b) *agrees to invite the Head of Revenues and Benefits and the Service Manager - Looked After Children to attend the meeting of the Corporate Governance Committee on the 17<sup>th</sup> December, 2014, and*

(c) *request that a further report be presented to the Committee to provide more detail and context on the impact the lack of action was having on the service users.*

**(IB to Action)**

## **8 ANTI FRAUD CORRUPTION AND BRIBERY POLICY**

A report by the Head of Legal, HR and Democratic Services (HLHDS) had been circulated previously.

The HLHDS introduced the report and explained that the Council employed over 4,000 staff and spends approximately £250 million per year. It commissioned and provided a wide range of services to individuals and households and worked with a wide range of private, public and voluntary sector organisations.

He highlighted the ongoing risk of loss due to fraud and corruption from both internal and external sources, and the risk of bribery as the Council provided and procured goods, works and services. Proportionate systems had been introduced to minimise risks and these were kept under constant review. The systems and procedures had been set out in the guidance at paragraph 5.12.

A draft revised Policy, Appendix 1, had been a single lengthy document split into two documents. Appendix 1 was a statement of Policy containing the main principles upon which the Council would approach fraud, bribery and corruption. Appendix 2 was a guidance document explaining the background to and the policies and procedures in place to support the Policy. The HLHDS provided a detailed summary of the contents of the Appendices.

He highlighted the importance that any policy purporting to counter the threat of fraud and corruption be kept up to date and reviewed in light of new legislative, technological and professional developments. The Policy would be reviewed every three years pending any specific changes in legislation. It was explained that from April, 2015 the Department of Works and Pensions would be running a single fraud investigation service and the Policy would be amended accordingly.

The title of the Policy had been amended to include a reference to bribery, to take into account changes to legislation brought about by the Bribery Act 2010. The guidance also took into account best practice guidance such as the CIPFA "Red Book 2 - Managing the Risk of Fraud".

The Policy Statement and procedures supporting it provided a clear message that the Council would not tolerate any impropriety by employees, Elected Members or third party organisations. The HLHDS confirmed that it was important that vigilance was maintained and that all employees, Elected Members and partners were aware of the process for reporting concerns or suspicions. Appendix 2 provided clear advice on the reporting process. There was a clear statement of the Council's commitment to taking robust enforcement action where illegal or corrupt activity was detected. It was confirmed that the Council would continue to adapt and adopt a proactive approach to countering fraudulent activities, and Internal Audit would undertake an annual review of the effectiveness of the controls.



In response to a suggestion from Councillor H.L. Holland that the Council's intent to deal with any related misdemeanours be made clearer and more robust, the HLHDS agreed that No. 8 of the Policy Statement, Page 55, be amended to read "The Council does not, and will not, engage indirectly in or otherwise encourage bribery. The Council is committed to the prevention, deterrence and detection of bribery." and No. 9 be included to read "The Council's adopts a position of zero tolerance towards fraud, theft, corruption and bribery".

In response to a question from Mr P. Whitham, the HLHDS agreed that reference to Elected Members in Appendix 2 be amended to include Co-opted Members, or the inclusion of a definition of Members. Mr Whitham also indicated that there was no reference made to Bribery, only to Fraud and Corruption, on Page 18 of Appendix 1 and Page 32 of Appendix 3.

**RESOLVED** – *that Corporate Governance Committee, subject to the issues raised, note the contents of the draft Anti Fraud, Corruption and Bribery Policy and recommend it for approval by Cabinet.*

**(GW to Action)**

## **9 CONTRACT PROCEDURE RULES**

A report by the Acting Strategic Procurement Manager (ASPM) had been circulated previously.

The report presented the revised draft Contract Procedure Rules (CPRs) to Corporate Governance for review and comment prior to submission to full Council for approval on the 9<sup>th</sup> December, 2014 as detailed in Appendix 1 to the report.

The current CPR's had not been reviewed fully since their adoption in 2004. The document had been reviewed by the ASPM and Deputy Monitoring Officer in line with current legislation and latest best practice procurement procedures.

The addition of clauses making the consideration of Community Benefits clauses in all contracts above £2,000,000 had contributed to the priority of the Economic and Community Ambition Board, the lower of the financial thresholds would enable more lower value tender opportunities to be advertised which would allow local SME's to become aware of opportunities. All Service areas had been consulted regarding the revision of the Contract Procedure Rules. All comments had been reviewed and taken into consideration where applicable and relevant to the requirement of the document.

The ASPM confirmed that the main risk could arise from Departments not complying with the new CPRs, which may infringe upon UK and EU Procurement Regulations. A training programme would be provided for all Service areas following the implementation of the revised document to define its requirements and the implications of non-compliance. The revised CPRs, Appendix 1, and a summary of key changes, Appendix 2, had been included with the report.

The ASPM responded to a question from Councillor M.L. Holland and provided details of the sign-off procedure controls. He confirmed that changes to CRMs for schools had recently been introduced, and explained that tender evaluation, in terms of the price and quality split, would be within the remit of the Project Manager. The ASPM agreed to provide a response to Mr P. Whitham in respect of issues pertaining to aggregation.

In reply to a question from Mr P. Whitham, it was agreed that an offer of training for Elected Members in respect of CPRs, including a demonstration of the system, be included in the report to be presented to Council.

The ASPM responded to questions from Councillor G.M. Kensler and provided details of the Approved List of Contractors, which was unmanageable and would be discontinued in April, 2016 and replaced by framework agreements with a less number of suppliers.

The HLHDS provided details of the process for the sale or acquisition of land. He explained that Qualified Valuers in the Council's Estates Department would advise on the appropriate methods for dealing with such matters. Confirmation was provided that all transactions would be subject to a professional valuation process. Councillor J. Thompson-Hill explained that there was a disposal procedure in place, which included a Scheme of Delegation, which was outside the remit of the CPRs.

**RESOLVED** – *that Corporate Governance Committee:-*

- (a) notes and accepts the revised Contract Procedure Rules, and authorises their submission to full Council for approval in December, 2014.*
- (b) agrees that that an offer of training for Elected Members in respect of CPRs be included in the report to be presented to Council, and*
- (c) requests that the ASPM to provide a response to Mr P. Whitham in respect of issues pertaining to aggregation.*

**(SA to Action)**

## **10 YOUR VOICE - USING CUSTOMER FEEDBACK**

A report by the Head of Customers and Education Support (HCES), which provided an overview of customer engagement activity across the Authority, and includes specific examples of services utilising customer feedback to shape service design and delivery, had been circulated previously.

The report had been submitted following debate at the Performance Scrutiny Committee on how the Authority responded to and acted upon customer feedback. It was confirmed that continually looking for ways to improve services should be an intrinsic part of the business activity. The use of customer feedback, which included complaints, compliments and suggestions received, provided opportunities to improve service design and delivery, whilst instilling public confidence that the Authority noted and acted upon customer feedback.

All services had been requested to provide examples of the mechanisms utilised to engage with their customers, with a specific focus on using feedback when planning and delivering services. Details of the process had been provided in Appendix 1 to the report. Consultations included monthly reporting to SLT, quarterly reporting to Performance Scrutiny Committee and annual reporting to Corporate Governance Committee.

The HCES responded to a question from Councillor J. Butterfield and explained the process adopted, through the respective Heads of Service, for engaging with Town and Community Councils and Customer Groups to address service level issues. The development of the EMMA service and All Member Events Calendar, through the utilisation of feedback from the Member Training Awareness Group, was highlighted.

**RESOLVED** – *that Corporate Governance Committee receives the report and notes the Authority's use of customer feedback.*

## **11 YOUR VOICE ANNUAL REPORT 2013/14**

A report by the Head of Customers and Education Support (HCES), which provided an overview of the feedback received via Denbighshire's customer feedback policy 'Your Voice' during the period 01/04/13 to 31/03/14, had been circulated previously. The report excluded Social Services data which was reported separately.

The HECS explained that the reporting of complaints was encouraged and complaints were not viewed negatively as they provided an opportunity to improve service provision. The report presented an overview of the volumes and types of feedback received during 2013/14, and information regarding the Public Service Ombudsman for Wales' Annual Report and accompanying letter.

The following headlines for 2013/14 had been included in Appendix 1:-

- . A total of 510 complaints had been recorded – a decrease of 8% compared to the previous year's total of 556.
- . Overall performance for the year had been 96% (488/510) of complaints responded to within the 'Your Voice' timescales. This had been an improvement on the 2012/13 figure of 93% and exceeded the corporate target of 95%.
- . The number of complaints successfully dealt with at stage 1 had decreased from 94% last year to 91%.
- . A total of 749 compliments had been recorded. A decrease of 9% compared to the previous year's total of 820.
- . A total of 67 suggestions had been recorded which had been an increase of 319% compared to the previous year's total of 16. This area would be promoted to encourage more feedback in order to shape services.

Thirty six complaints had been made to the Ombudsman during 2013/14, which had been higher than the Welsh Local Authority (WLA) average, as indicated in Appendix 2. This had not been a concern as only two complaints relating to Social Services had been investigated by the Ombudsman, which equalled the WLA average. One Section 21 report had been issued which related to Adult Social Services. Summaries of the complaints had been included in Appendix 3.

Four complaints of Members breaching the Code of Conduct had been made during 2013/14, the same number as last year, as indicated in Appendix 4. Consultation included monthly reporting to the SLT, quarterly reporting to the Performance Scrutiny Committee and an Annual Report to the Corporate Governance Committee.

The Chair questioned the possibility of examining the introduction of a process to address complaints related to services which faced enforced budget cuts. The HECS explained that proactive work was being undertaken with service providers to examine service standards, with regard to the management of customer expectations. The necessity to communicate with customers regarding service delivery levels was highlighted, together with, the need to differentiate regarding the nature of complaints received, as not all complaints could be attributed to the cuts.

Mr P. Whitham referred to the dilemma of risks emanating from improving services while addressing the issue of the limited availability of resources. In reply to a question from Councillor G.M. Kensler, the HECS explained that the Performance Scrutiny Committee had been encouraged to examine in detail the specific nature of complaints in individual service areas, and this would be achieved with the involvement of Lead Members and the respective Heads of Service.

Councillor M.L. Holland highlighted the need to differentiate between service requests and complaints, and the possibility that a number of complaints recorded could relate to one specific issue.

**RESOLVED** – *that Corporate Governance Committee receives and notes the performance of services.*

## **12 CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE**

A report by the Deputy Monitoring Officer, which sought the Committee's views on transferring areas from the Committee's Terms of Reference to the Council's Standards Committee (SC), had been circulated previously.

The HLHDS explained that the Corporate Governance Committee's (CGC) work load was increasing. The report sought views on transferring areas which could potentially be dealt with by the SC.

The current 'jurisdiction' of the SC only covered monitoring compliance with the Members Code of Conduct, raising standards of ethics and probity, training on the Code of Conduct and complaints regarding Members and dealing with references from the Public Services Ombudsman for Wales (PSOW); including playing a role in the Councils Self-Regulatory Protocol. The SC met approximately every other

month and comprised 2 County Councillors, 4 Independent Members, recruited via a public advert and 1 Community Council Member. The SC could only be quorate when the majority in attendance were independent Members.

Some Local Authorities had extended the remit of their SC to cover issues such as whistleblowing and complaints to the PSOW by Members of the public regarding maladministration. The DMO explained that there was an opportunity to consider the increasing the workload of the CGC and transferring it to the SC. The final decision would be made by Full Council and would be incorporated in the review of the Constitution. The report sought the views of the CGC on this approach.

Discussions between the respective Chairs of the Committees appeared to be that there was room for debate on transferring some or all of the following areas from the CGC to the SC, in addition to it retaining its current remit:-

- a) Whistleblowing.
- b) Indemnities for Officers and Members.
- c) Complaints including PSOW Complaints by members of the public about the Council (maladministration).
- d) Information Commissioner Complaints and review of the Councils activities under the Information Legislation (Data Protection and FOI).

The issues had been debated briefly at the SC on the 18<sup>th</sup> July, 2014 and an interest had been expressed in taking on a wider remit.

The following views were expressed by Members of the CGC:-

The Chair felt that a) and b) could be transferred to the SC, but expressed reservations regarding the transfer of c) and d). He felt that d) should remain with the CGC, as should c) which could involve addressing corporate level issues.

Councillor G.M. Kensler expressed the view that d) could be transferred to the SC, with a) and c) remaining with the CGC.

Councillor J. Butterfield felt that a), b), and c) could be transferred to the SC, but further information was required with regard to d).

Councillor M.L. Holland referred to the constitution of the SC. He considered that in view of the ratio of Independent Members a) could be transferred to the SC.

Mr P. Whitham suggested that the work undertaken by the HIA, in respect of the CGC forward work programme, and the content of the CGC Annual Report could be utilised when considering the transfer of areas of work. He felt that as d) had been identified as a Corporate Risk it should remain with the CGC, and that as a) was an integral part of the Anti Fraud, Corruption and Bribery Policy it should remain with the CGC.

The HLHDS informed the Committee that with regard to d) a balance would need to be struck regarding where areas of work would be most appropriately placed. He explained that officers would deal with information requests and a Policy was in

place to address related issues. It was suggested that as one of the Corporate Risks related to Data Protection, d) should possibly remain with the CGC. With regard to complaints around the Ombudsman, it was explained that complaints could relate to how a service was being delivered and not a Member or employee conduct issue.

The HIA highlighted the importance of the need to differentiate between the roles of the two respective Committees. He explained that complaints received could relate to an individual or a system, or the behaviour of officers or Members and he questioned whether it would be appropriate for the SC to examine service based complaints. The HECS endorsed the views expressed that the matter of complaints was a service issue and should remain with the CGC.

Councillor B.A. Smith responded to questions from Members and referred to the list of the Council's Policies, which HR were working on to make more user friendly.

The Chair summarised the debate and the Committee endorsed the following:-

- a) Whistleblowing – Varied opinions expressed.
- b) Indemnities for Officers and Members - Could be transferred to the SC.
- c) Complaints including PSOW Complaints by members of the public about the Council (maladministration) - Varied opinions expressed. Service level complaints should remain with the CGC, whilst complaints relating to individuals could possibly transfer to the SC.
- d) Information Commissioner Complaints and review of the Councils activities under the Information Legislation (Data Protection and FOI) - General consensus of opinion the it remains with the CGC.

During the ensuing discussion, the Committee requested that the HLHDS include the views of the CGC in the Constitution Review, liaise with the SC regarding the views expressed, look at the Constitution in its broader context and submit a further progress report to the CGC.

**RESOLVED** – *that Corporate Governance Committee:-*

- (a) receives and notes the details in the report.*
- (b) requests that the HLHDS includes the views of the Committee in the Constitution Review, liaises with the Standards Committee regarding the views expressed and looks at the Constitution in its broader context, and*
- (c) agrees that the Corporate Governance Committee receives a further progress report.*

**(GW & IB to Action)**

## **13 GOVERNANCE IMPROVEMENT PLAN UPDATE**

A report by the Head of Internal Audit (HIA) had been circulated previously.

The HIA introduced the report and explained that an update on the Governance Improvement Plan (GIP), presented to the on the 29<sup>th</sup> September, 2014, had

contained gaps where responses had not been received from key officers, and Members requested an update on those outstanding items at its next meeting.

The Council's latest 'Annual Governance Statement' had been entitled 'Delivering Good Governance and Continuous Improvement'. The document provided a transparent and balanced self-assessment of the Council's governance arrangements, highlighting any significant governance weaknesses and other areas for improvement.

Improvement areas had been included in the GIP which provided proposed actions to address the weaknesses, officers responsible for the actions, and timescales. The first update to the Committee on the 29<sup>th</sup> September, 2014 had been incomplete, as responses had not been provided to enable the HIA to update the entire Plan. These responses had now been received and included in Appendix 1 to the report.

The HIA confirmed that if the GIP was not implemented, weaknesses would remain in the Council's governance arrangements, which could lead to:-

- adverse regulatory reports;
- poor use of public money;
- failure to improve key corporate and service areas;
- loss of stakeholder confidence; and
- an adverse impact on the Council's reputation.

Following further discussion

**RESOLVED** – *that Corporate Governance Committee receives and notes the report.*

#### **14 FEEDBACK ON CORPORATE EQUALITIES MEETING**

Councillor M.L. Holland explained that the Corporate Equalities Group had not met since the presentation of the previous report to the Corporate Governance Committee.

#### **15 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:-

**17<sup>th</sup> December, 2014:-**

- An update report by the Head of Internal Audit on Financial Payment to Care Leavers.
- Wales Audit Office Report on Denbighshire's Financial Planning Arrangements.

- CSSIW Annual Report.
- The New Model Constitution Report be rescheduled for the 28<sup>th</sup> January, 2015.

**28<sup>th</sup> January, 2015:-**

- CSSIW Annual Report.
- New Model Constitution Report.

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

Meeting ended at 13.25 p.m.