



To: Members of the Corporate
Governance Committee

Date: 2 April 2013

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Dear Councillor

You are invited to attend a meeting of the **CORPORATE GOVERNANCE COMMITTEE** to be held at **9.30 am** on **WEDNESDAY, 10 APRIL 2013** in **CONFERENCE ROOM 1A, COUNTY HALL, RUTHIN.**

Yours sincerely

G. Williams
Head of Legal and Democratic Services

AGENDA

PART 1 - THE PRESS AND PUBLIC ARE INVITED TO ATTEND THIS PART OF THE MEETING

1 APOLOGIES

2 DECLARATION OF INTERESTS

Members to declare any personal or prejudicial interests in any business identified to be considered at this meeting.

3 URGENT MATTERS

Notice of items, 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 (Pages 5 - 14)

To receive the minutes of the Corporate Governance Committee meeting held on the 27th February, 2013.

5 TREASURY MANAGEMENT PRESENTATION

To receive a presentation from the Head of Finance and Assets on Treasury Management, to include an overview of the new budget planning process.

6 ANNUAL FINANCIAL AUDIT OUTLINE (Pages 15 - 28)

To consider a report by the Head of Finance and Assets (copy enclosed) which sets out matters such as roles and responsibilities, the audit approach, reporting, the audit fee, key elements of audit engagement and the financial audit team.

7 ELECTRONIC VOTING SYSTEM (Pages 29 - 30)

To consider a report by the Head of Legal and Democratic Services (copy enclosed) on the operation of the electronic voting system in the Council Chamber and the constitutional implications of changing the way in which it is used.

8 WEBCASTING AND REMOTE ATTENDANCE (Pages 31 - 34)

To consider a report by the Head of Legal and Democratic Services (copy enclosed) on the proposals made by the Welsh Government in respect of webcasting and remote attendance.

9 WHISTLE BLOWING POLICY (Pages 35 - 66)

To consider a report by the Head of Legal and Democratic Services (copy enclosed) on a draft revision to the Council's Whistleblowing Policy.

10 CORPORATE SELF ASSESSMENT (Pages 67 - 94)

To consider a report by the Corporate Improvement Manager (copy enclosed) which details the latest Corporate Self-Assessment and highlights any areas which require future monitoring by the Committee.

11 CORPORATE GOVERNANCE FRAMEWORK AND ANNUAL GOVERNANCE STATEMENT 2012/13 (Pages 95 - 138)

To consider a report by the Head of Internal Audit (copy enclosed) on the Council's Corporate Governance Framework, which contributes to the production of the Annual Governance Statement.

12 INTERNAL AUDIT STRATEGY 2013/14 (Pages 139 - 156)

To consider a report by the Head of Internal Audit (copy enclosed) which introduces the Internal Audit Strategy for 2013/14.

13 INTERNAL AUDIT PROGRESS REPORT (Pages 157 - 168)

To consider a report by the Head of Internal Audit (copy enclosed) which provides an update on the latest progress of the Internal Audit service in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement.

14 INTERNAL AUDIT CHARTER (Pages 169 - 180)

To consider a report by the Head of Internal Audit (copy enclosed) which introduces the revised Internal Audit Charter.

15 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME (Pages 181 - 182)

To consider the Corporate Governance Committee Forward Work Programme (copy enclosed).

MEMBERSHIP

Councillors

Raymond Bartley
Stuart Davies
Martyn Holland

Gwyneth Kensler
Jason McLellan
David Simmons

Lay Member

Paul Whitham

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CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 27 February 2013 at 9.30 am.

PRESENT

Councillors Raymond Bartley, Martyn Holland, Gwyneth Kensler (Vice-Chair), Jason McLellan (Chair) and David Simmons together with Lay Member Paul Whitham

Observers: Councillors Hugh Irving, Barbara Smith and Bill Tasker

ALSO PRESENT

Corporate Director Economic and Community Ambition (RM), Head of Legal and Democratic Services (RGW), Head of Internal Audit Services (IB), Audit Manager (BS), Senior Auditor (LH); Corporate Improvement Manager (TW); Deputy Monitoring Officer/Solicitor (LJ); HR Services Manager (CR) and Committee Administrator (KEJ) together with Wales Audit Office Representatives (AV and GB).

1 APOLOGIES

Councillor Stuart Davies

2 DECLARATION OF INTERESTS

Councillor David Simmons declared a personal and prejudicial interest in the Pavilion Theatre, Rhyl referenced in the Internal Audit Progress Report (Agenda Item 7) and left the meeting during consideration of that item.

3 URGENT MATTERS

No urgent matters had been raised.

4 MINUTES

The minutes of the Corporate Governance Committee held on 9 January 2013 were submitted.

Matters Arising – Page 13 Item No. 8 Corporate Governance Framework Action Plan – Lay Member Paul Whitham referred to the discussion regarding self-assessment of committee members and it was agreed to consider the matter further under the committee's work programme item.

***RESOLVED** that the minutes of the meeting held on 9 January 2013 be received and approved as a correct record.*

5 WALES AUDIT OFFICE IMPROVEMENT ASSESSMENT LETTER

The Corporate Improvement Manager (CIM) submitted a report (previously circulated) presenting the latest Improvement Assessment Letter for Denbighshire County Council issued by the Wales Audit Office on 28 January 2013. More detailed work on the council's performance management arrangements was currently taking place and the Auditor General would be summarising that work in the Annual Improvement Report for the Council to be published at the end of March 2013.

The Mr. G. Bury, WAO provided a summary of the contents of the Improvement Assessment Letter detailing the key conclusions in respect of improvement planning and reporting under the Local Government (Wales) Measure 2009. He was pleased to confirm a positive report with progress in a number of areas, particularly highlighting the good work in developing the Corporate Plan. Mr. Bury advised that no recommendations had been made but drew members' attention to, and elaborated upon, two new proposals for improvement as follows –

- P1 – Provide a wider evidence base of information to enable the Council to assess whether it had met its Improvement Objectives, and
- P2 – Include more information on the status and outcomes of the Council's collaborative projects.

The committee was pleased to note the positive report, acknowledging the extensive consultation and work undertaken in developing the Corporate Plan. Discussion focused on the two proposals for improvement and in terms of P1, Mr. Bury explained that progress against aspects of some Improvement Objectives had not been provided in the performance report citing the Welsh Housing Quality Standards as an example which was a key Welsh Government priority. This was particularly surprising as the Council had performed well in that area. In providing assurance for future reporting, the CIM responded to members' questions advising of the process in place for retrieving and collating performance information from departments and of the extensive work in defining priorities and measuring success. Consequently he was confident that the emerging Corporate Plan was significantly better than the previous Plan. Councillor Barbara Smith endorsed those sentiments detailing her own involvement in the process. With regard to P2, Mr. Bury advised that as one of the Council's Improvement Objectives more information should be included about collaboration projects to allow for a more rounded assessment of progress, including more detail on the recent performance difficulties with the Highways collaboration project with Conwy County Borough Council and implications of the overspend on the Conwy Home School Transport budget. In response to a query from the Chair, Mr. Bury indicated that Denbighshire had received a detailed report by Conwy and Denbighshire's Internal Audit service on the School Transport budget and it did not feature as an issue the WAO would spend time on in future.

The committee agreed that the Council should be congratulated on the positive Improvement Assessment and the CIM assured the committee that lessons would be learnt from the proposals and more information about those particular elements would be included in future reporting. He confirmed that the Annual Improvement

Report would be presented to the committee's April or May meeting as appropriate following its publication.

RESOLVED that the latest Improvement Assessment Letter issued by the Wales Audit Office be received and noted.

6 ROLE OF CHAMPIONS

The Head of Legal and Democratic Services (H:LD) submitted a report (previously circulated) seeking the committee's views on the different roles that had been suggested be undertaken by Member Champions together with the process by which members should be appointed to any recommended roles. Role descriptions for the current Champions identified within the constitution (Appendix 1); a survey of the appointment of Champions in other local authorities in Wales (Appendix 2), together with Lead Member Portfolios (Appendix 3) had been attached to the report.

In addition to the four Champion roles already identified in the constitution, the H:LD detailed other areas put forward for consideration by members – Young Persons' Champion; Young Carers' Champion, and Scrutiny Champion together with those suggested by outside bodies – Armed Forces Champion and Poverty Champion. It was noted that nominations for the current Homelessness Champion role would be considered at the next meeting of Full Council.

Members considered the findings of the survey of other local authorities in Wales which had revealed a wide variation in the number and nature of Champions and the H:LD detailed both the common and differing areas for comparison and the reasoning behind those decisions. The appointment of Champions also varied between councils and members were asked to consider the most appropriate method for Denbighshire. In the past the Scrutiny Champion had been appointed by the Scrutiny Chairs and Vice Chairs Group. The committee agreed to focus on Denbighshire's requirements, if any, for specific Champions and noted at the outset that any decisions made could be reviewed as necessary. In response to a question regarding the appointment of lay people as Champions the H:LD reported upon the difficulties and practicalities of such an arrangement, particularly in terms of accountability, and the requests for consideration of Champions for Armed Forces and Poverty had specifically requested councillor nominations.

The Chair sought the views of the Cabinet Members present and Councillor Barbara Smith felt that overall there was little merit in appointing Champions for areas in which Lead Members had responsibility. She detailed the significant amount of work going on regarding welfare reform and did not consider that appointing a Poverty Champion would add value to that process. However, she did support the role of an Older People's Champion and reported upon the benefits and achievements as a result of that appointment. Councillor Hugh Irving agreed with those views and reported upon his own involvement with welfare reform as part of his portfolio. He added his support for a Homelessness Champion in view of the significant issues to be addressed. Councillor Ray Bartley referred to his role as Learning Disabilities Champion highlighting the good work and achievements in that area in recent years and also paid tribute to former Councillor Christine Evans in her role as Homelessness Champion. He proposed that Full Council appoint a

Homelessness Champion as soon as possible. The H:LD confirmed that expressions of interest would be sought and a report submitted to the next meeting of Full Council with a view to appointing a Homelessness Champion.

The H:LD responded to members' questions regarding the requirements to consider the appointment of Champions for particular areas. In terms of governance the committee felt there was a need to ensure clarity and avoid confusion and duplication of roles. It was felt that appointing Champions without a clearly identified need could also devalue their role and would add little value to the process. The committee also highlighted the duty of all councillors in championing such important issues which should not be diluted by transferring specific responsibility to one individual. With that in mind it was agreed that where there was already a Lead Member with responsibility for a particular area the role of a Champion was generally unnecessary. For areas falling outside specific remits and cross cutting services, or where there was an overriding need, members considered there may be some merit in appointing Champions and the committee reaffirmed their support for the four Champions currently identified in the constitution covering Older People, Homelessness, Carers and Learning Disabilities. In terms of Champions for Poverty and Armed Forces members were content that there were already robust mechanisms in place for addressing those areas in terms of the significant work being undertaken around welfare reform and by endorsing the Armed Forces Community Covenant. Consequently it was –

RESOLVED that –

- (a) *no additional Champion roles be recommended to Full Council at this time;*
- (b) *the most appropriate method of appointing Champions at Full Council be confirmed, and*
- (c) *Full Council be recommended to appoint a Homelessness Champion at the earliest opportunity.*

7 INTERNAL AUDIT PROGRESS REPORT

[Councillor David Simmons declared a personal and prejudicial interest in the Pavilion Theatre, Rhyl which had been referenced within the report and left the meeting during consideration of that item.]

The Head of Internal Audit Services (H:IAS) submitted a report (previously circulated) updating members on the latest progress of the Internal Audit Service in terms of service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement. The H:IAS highlighted particular areas of the report as follows –

- progress in delivering the Internal Audit Operational Plan 2012/13
- recent internal audit reports issued
- management response to issues raised by Internal Audit, in particular the follow up review of Strategic Human Resources (HR), and
- Internal Audit performance and key measures.

Members considered progress in delivering the operational plan and the H:IAS responded to questions as follows –

- detailed the remaining follow up reviews planned for 2012/13 with others being followed up during 2013/14
- the Procurement Audit programmed for March was currently being scoped commencing with an overview of the project during this year's plan and developed further into next year
- confirmed that the Public Realm audit raised the question of which services should be included as the audit had initially focused on grounds maintenance but was widened to include other areas. The Corporate Improvement Manager added that work was ongoing with the Corporate Director Communities to develop a Public Realm Strategy which would define the services to be included within that area.

The H:IAS summarised the audit opinion in respect of the recent internal audit reports issued and the following matters were discussed in more detail –

Pavilion Theatre, Rhyl – The Head of Communication, Marketing and Leisure had requested a review of the Theatre to help inform its future development as part of the larger improvement agenda in Rhyl. In noting the low assurance rating members sought clarification on a number of risk areas and sought assurances that a robust action plan was in place. The H:IAS clarified issues in response to members' questions and reported upon the escalation meeting to ensure a deliverable action plan to improve the service. Due to the involvement of the Head of Service from the outset the H:IAS was confident that the service would address the issues concerned. In view of the number of high risk areas identified the committee agreed to keep the matter under review and requested a report back on progress. The H:IAS agreed it would be timely to report back to the committee's May meeting after the follow up visit had been carried out. Councillor Gwyneth Kenser felt that the Theatre had performed well under difficult circumstances.

Council Housing Responsive & Void Repairs – The H:IAS advised that the audit work was part of a wider improvement programme within Housing Services. Work was carried out to measure repair work and in many instances jobs were not being completed right first time leading to actual repair completion times being way in excess of target times and those times recorded for performance management. An escalation meeting had been held and an action plan put in place with funding now available to modernise the service. Although the report gave no assurance significant improvements had already been made and internal audit would carry out a further review during April and May to measure performance one year on from the original testing together with an assessment of progress with the action plan. Consequently an update on the report would be issued during the summer which would include a revised assurance rating. Councillor Hugh Irving elaborated upon the positive escalation meeting to tackle the issues identified and measures which had been implemented since then to effect improvement including the relocation of customer contact staff and provision of new technology and equipment.

Councillor Ray Bartley was pleased to note the measures introduced to diagnose faults accurately and prioritise jobs expressing his concern over delays which had caused inconvenience and in some cases distress to vulnerable residents. In response to a question from Lay Member Paul Whitham the H:IAS agreed to report back on how much rental income was lost as a result of the time taken to complete void repairs. Discussion took place on existing measures to assess performance and it was agreed that the H:IAS and Corporate Improvement Manager discuss the matter further outside of the meeting. Finally Councillors Barbara Smith and Hugh Irving voiced their support of the relatively new Head of Housing & Community Development in addressing the long standing problems identified.

The H:IAS then introduced the follow up review of **Strategic Human Resources (HR)** (Appendix 2 to the report) which still gave a low assurance rating due to the lack of progress in implementing the agreed action plan. In order to explain the lack of progress the Head of Strategic HR had been asked to attend the meeting and the Corporate Director Economic and Community Ambition (CD:ECA) and the HR Services Manager (HRSM) were in attendance in that regard.

The CD:ECA advised that concerns had been raised during the last HR Service Challenge about volume of work and a full review of HR work had since been undertaken. The Corporate Executive Team (CET) concluded that HR was attempting to manage a large workload with limited resources and strategic guidance had been provided in prioritising those service pressures and demands together with the provision of additional resources. The HR Improvement Plan had been identified as a priority and work was ongoing in a planned way to ensure that as capacity was identified lower priority issues could then be addressed. The HRSM reported upon identified and dedicated resources specifically for managing the HR Improvement Plan and ensuring its delivery by December 2013 and completion of the Internal Audit Action Plan by October 2013. She also provided some context to the report detailing the problems embedding the new HR service model implemented in April 2011 and the culture change required leading to difficulties in making that transition. Councillor Barbara Smith provided further assurances that progress would be carefully monitored to ensure provision of a robust service in future.

Members acknowledged the additional pressures on HR services arising from periods of change attributed to the current climate and stressed the importance of ensuring that adequate systems were in place in order to manage human resources effectively. During the ensuing discussion the HRSM responded to members' questions as follows –

- reported upon the three IT systems used for HR: Trent, CRM and EDRMS which were still under development and not yet working to capacity
- elaborated upon training provided for managers and steps taken in an attempt to increase take up rates; it was hoped engagement with managers via the Senior Leadership Team would improve attendance
- referred to the various process reviews within HR (facilitated by the H:IAS) which had been implemented
- explained the inclusion of the employment of ex-employees in the Pay Policy approved by Full Council in September 2012 and elaborated upon the

- stringent criteria to provide a consistently balanced approach for re-employment; monitoring of re-employment would also be carried out
- reported upon the merits of providing a centralised HR service to ensure continuity and consistency of approach
 - highlighted the revised implementation dates to ensure actions in the Internal Audit action plan were completed by October 2013.

Members accepted the assurances provided regarding the delivery of the action plan within the revised timescales but agreed that progress should be kept under close review and requested a report back to the committee's July meeting. The Chair thanked the officers for their attendance.

RESOLVED that –

- (a) *subject to members' comments above, the progress report on the Internal Audit Service be received and noted, and*
- (b) *progress reports on the Pavilion Theatre, Rhyl and Strategic Human Resources be submitted to the committee's meetings in May and July respectively.*

At this juncture (11.30 a.m.) the committee adjourned for a refreshment break.

8 CORPORATE GOVERNANCE FRAMEWORK ACTION PLAN

The Head of Internal Audit Services (H:IAS) submitted a report (previously circulated) updating members on the latest action plan and progress to date resulting from the review of the Council's governance framework and the Annual Governance Statement 2011/12.

Members were advised that only minor changes had been made to the action plan since the committee's last meeting and the completed actions denoted in green could be removed. The draft Annual Governance Statement 2012/13 would likely be submitted to the next meeting of the committee in April together with a presentation on the new Assurance Framework. Mr. A. Veale, WAO was pleased to note that the draft Annual Governance Statement would be considered by the committee in April advising that it was a key document in terms of roles and responsibilities together with the new Assurance Framework to identify where the Council acquired its assurance.

During consideration of the action plan the following was discussed –

- the Head of Legal and Democratic Services updated members on actions to progress the review and relaunch of the Whistleblowing and Anti-Fraud & Corruption Policies which would be reported to the committee's April meeting
- in response to a query regarding whether there was a set timescale for reviewing policies generally the H:IAS advised that the standard format for policies included a specific renewal date
- in terms of the Partnership Governance Toolkit Lay Member Paul Whitman noted it had been placed on the intranet but felt that raising awareness and

providing training would provide greater assurance that the toolkit was being applied. The H:IAS confirmed that the toolkit had been launched and Internal Audit would be monitoring whether the toolkit was being applied to new partnerships

- Mr. G. Bury, WAO reported upon actions relating to the implementation of recommendations arising from the WAO's review of collaboration arrangements and their review of scrutiny arrangements for which reports were currently awaited. The H:IAS confirmed that those items would remain in the action plan until the reports had been received and addressed.

RESOLVED that –

- (a) *progress in managing the actions in the Corporate Governance Framework Action Plan be noted, and*
- (b) *the Draft Annual Governance Statement 2012/13 together with the new Assurance Framework be submitted to the committee's next meeting in April.*

9 INFORMATION LEGISLATION POLICIES

The Deputy Monitoring Officer (DMO) submitted a report (previously circulated) presenting the draft reviewed Freedom of Information and Data Protection Policies. Both policies had been revised in order to provide a procedural guide on the Council's handling of requests for information and the processing of personal data. Feedback from officers on the draft policies had been positive and the policies would also be presented to the Senior Leadership Team prior to Full Council for approval. Members were advised of the establishment of a new Corporate Information Management Team led by the Head of Business Planning and Performance (H:BPP).

The DMO guided members through the draft policy documents and particularly elaborated upon the following elements –

- Data Protection Policy and Procedures – designed to safeguard personal privacy covering –
 - Individuals Right of Access
 - Information Sharing
 - Emergency Planning
 - Outsourcing Issues
 - Introduction of New Systems
 - Data Security Breaches
- Freedom of Information (FOI) Policy and Procedures – designed to secure open access to information. Reference was also made to the recently formalised Access to Information Exemptions Panel which had been reflected in the policies.

Following the detailed address the committee highlighted the importance of a robust policy to manage information with clear procedures in place. Members took the opportunity to raise questions and discuss with officers the role and responsibilities

of the new Corporate Information Management Team together with the workload of the Information Management Officers and the difficulties in collating and retrieving information and in dealing directly with requests and enquiries. The risks in disclosing prohibited information was also highlighted, particularly in light of the substantial fines which could now be imposed for data breaches. The H:BPP advised that email safeguards would also be considered to mitigate that risk. The number of FOI requests received by the Council was noted together with associated charges and it was noted that this was a growth area which needed to be managed. Reference was also made to how frivolous and vexatious requests were dealt with and the role of the Access to Information Exemptions Panel in that regard.

In terms of storing information, Lay Member Paul Whitham queried whether the council had a retention schedule to take into account legislation and balancing the need of retaining information against its usefulness. The DMO confirmed that time scales were stipulated in legislation to retain information relating to specific matters such as social services but storage of information was a business decision for most departments. The H:BPP highlighted the need to store information in a coherent manner and to properly categorise emails to ensure information could be easily located and retrieved and work was ongoing to facilitate that process. He added that the work of the Corporate Information Management Team would be reported back to this committee in order to oversee developments. Lay Member Paul Whitham highlighted the use of a privacy notice as good practice to legitimise the processing of personal data which he felt should be brought to the attention of managers in order to reinforce its use in practice.

Finally the committee highlighted the importance of member training and the Head of Legal and Democratic Services referred to the development of the members' training plan in which those policies would likely feature along with previous reference in the code of conduct training.

RESOLVED that –

- (a) *the contents of both policies be noted and subject to members' comments above be endorsed for further consultation, and*
- (b) *a report on the work of the Corporate Information Management Team be reported to a future meeting of the committee in order to oversee developments.*

10 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

The Corporate Governance Committee's work programme (previously circulated) was presented for consideration. Members discussed potential amendments to the work programme and various business items with officers and after consideration the committee agreed –

- to include the following items for consideration at the next meeting in April –
 - Whistleblowing and Anti-Fraud Policy
 - Draft Annual Governance Statement 2012/13

- New Assurance Framework (presentation)
- Corporate Self-Assessment
- to remove the item on the Corporate Governance Framework Action Plan scheduled for April in light of the governance and assurance reports being received at that meeting
- that the scope of the item on Constitutional Issues scheduled for April be widened to include Electronic Voting and Webcasting/Remote Attendance at council meetings
- the Annual Improvement Report be submitted to either the April or May meeting depending on its availability, and
- a self-assessment questionnaire be circulated to all committee members and a presentation on the findings be submitted to the May meeting.

RESOLVED that, subject to the amendments and agreements referred to above, the forward work programme be approved.

The meeting concluded at 1.30 p.m.

Report To: Corporate Governance Committee

Date of Meeting: 10th April 2013

Lead Member / Officer: Head of Finance & Assets

Report Author: Chief Accountant

Title: Annual Financial Audit Outline

1. What is the report about?

The report is entitled 'the Annual Financial Audit Outline' and has been prepared by the Wales Audit Office (WAO). The report sets out matters such as roles and responsibilities, the audit approach, reporting, the audit fee, key elements of audit engagement and the financial audit team.

2. What is the reason for making this report?

The external auditors are required to prepare and present this report in order to discharge their requirements of the auditing standards and proper audit practices. The report is provided for information.

3. What are the Recommendations?

It is recommended that the Committee consider the content of the report. WAO representatives will attend the meeting to answer questions in relation to the report.

4. Report details

The report provides the Council with an outline of the financial audit work required for the 2012-13 financial statements and the fees for undertaking the work. It also provides information on the audit approach including the key audit risks that have been identified during the initial planning process and the actions proposed to address them. The financial audit work on these risk areas will be used to inform the audit opinion on the financial statements.

5. How does the decision contribute to the Corporate Priorities?

The audit service is a statutory provision. The Appointed Auditor, under the Public Audit (Wales) Act 2004 is required to examine and certify the financial statements of the Council. The Appointed Auditor is also required to satisfy himself that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

6. What will it cost and how will it affect other services?

The fees for work undertaken by the WAO in respect of the financial audit are set out on page 9.

7. What consultations have been carried out?

The content of the report has been discussed with the Head of Finance & Assets and senior members of the Finance Department.

8. Chief Finance Officer Statement

This is a statutory provision. Audit fees have been frozen and are an existing budget commitment for the authority.

9. What risks are there and is there anything we can do to reduce them?

The audit process should highlight any significant risks and the management response to addressing or minimising the risk or impact.



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Annual Financial Audit Outline

Denbighshire County Council

Audit year: 2012-13

Issued: March 2013

Document reference: 171A2013

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Annual Financial Audit Outline

Roles and responsibilities

1. This Annual Financial Audit Outline has been prepared to meet the requirements of auditing standards and proper audit practices. It provides Denbighshire County Council (the Council) with an outline of the financial audit work required for the 2012-13 financial statements.
2. Under the provisions of the Public Audit (Wales) Act 2004, the Auditor General is responsible for appointing external auditors (appointed auditors) to local government bodies.
3. As Appointed Auditor, I am required by the Public Audit (Wales) Act 2004 to examine and certify the accounts of the Council. This involves giving an opinion on whether the accounts give a true and fair view of the Council's financial position and of its income and expenditure for the year. The act also requires me to satisfy myself of these things:
 - that the accounts are prepared in accordance with regulations under section 39 of the act (the Accounts and Audit (Wales) Regulations 2005);
 - that the accounts comply with the requirements of all other statutory provisions applicable to them;
 - that proper practices have been observed in the compilation of the accounts; and
 - that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
4. I am also required to certify that the audit has been completed in accordance with the Public Audit (Wales) Act 2004.
5. The audit does not relieve the Council of its responsibility to:
 - establish systems of internal control to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
 - maintain proper accounting records;
 - prepare a Statement of Accounts in accordance with relevant requirements; and
 - establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.
6. The Public Audit (Wales) Act 2004 sets out the rights of the public and electors to inspect the Council's financial statements and related documents, to ask me, as the Appointed Auditor questions about the accounts and, where appropriate, to challenge items in the accounts.
7. The key elements of the audit are set out in [Appendix 1](#).
8. A separate document, *the Auditor General's Regulatory Programme for Performance Audit*, will be issued setting out the work to be delivered by the Auditor General under the Local Government (Wales) Measure 2009.
9. The Auditor General is required to certify certain grant claims and returns. The Appointed Auditor, acting as an agent of the Auditor General, undertakes the audit work relating to those claims and returns.

The audit approach

The audit team

10. Information regarding the financial audit team is provided in [Appendix 2](#).

Audit of financial statements

11. I understand that internal controls are designed, implemented and maintained by the Council to address identified business risks that threaten the achievement of an audited body's objectives regarding:
- the reliability of its financial reporting;
 - the effectiveness and efficiency of its operations; and
 - its compliance with applicable laws and regulations.
12. I will:
- assess the effectiveness of high-level internal controls and key system-level internal controls in preventing and detecting material errors in the accounting statements;
 - assess the effectiveness of Internal Audit;
 - review and seek to place reliance upon work undertaken by Internal Audit, as appropriate; and
 - develop substantive procedures to respond to risks of material misstatement in the accounting statements.
13. I do not seek to obtain absolute assurance that the financial statements and related notes are true and fair, but adopt the concept of materiality. Therefore in planning and conducting the audit, I seek to identify material misstatements in the accounting statements and related notes, that is, those that might result in a reader of the accounts being misled.
14. The levels at which I judge such misstatements to be material will be reported in my report to the Audit Committee prior to completion of the audit.

Risks of material misstatement in the accounting statements

15. [Exhibit 1](#) provides information regarding the main operational and financial risks faced by the Council that could affect my audit. These are the main risks that I have identified during the initial audit planning process, based upon information currently available, and the actions proposed to address them. I may need to change the audit plan if any new risks emerge. I will not make any changes to the audit plan without first discussing them with officers and, where relevant, those charged with governance.

Exhibit 1: Summary of main audit risks and proposed responses

Risks	Action proposed
Control environment risks	
<p>Financial Challenges The Council is facing significant financial challenges in common with the rest of the public sector. The increase in demand for services presents a risk of overspending although the Council has plans in place to deliver savings and monitor the position.</p>	<p>I will assess the Council's arrangements for:</p> <ul style="list-style-type: none"> ensuring effective financial management; and providing internal audit coverage which meets the professional standards set by CIPFA. <p>I will continue to review the overall control environment in respect of the Council's financial challenges and assess the impact on the financial statements, including accounting and disclosure requirements.</p>
Preparation of the accounts risks	
<p>Partnerships and collaboration The Council continues to work in partnership and collaboration with a number of external bodies. Based on our work in 2011-12, there are potential risks (eg, financial, reputational, governance) to the Council if it does not effectively manage these relationships and account for them correctly in its Accounts.</p>	<p>I will undertake work which enables me to:</p> <ul style="list-style-type: none"> understand how the partnership organisations operate so that I can fully assess the financial and accounting implications for the Council; and ensure that appropriate disclosures are included in the accounts in relation to related party disclosures in respect of both Members and Officers.
<p>Capital Programme The Council has a capital programme of some £33 million in 2012-13. This includes financing from prudential borrowing, capital receipts, revenue funding, supported borrowing and funding from specific grants and contributions.</p>	<p>I will review the accounting treatment of the capital programme to ensure that both the accounting and disclosure requirements are met.</p>
<p>Council House valuations The Council is planning to review the basis on which council houses are valued to ensure it aligns with the Existing Use Value methodology.</p>	<p>I will ensure that any potential changes to council house valuations are correctly recorded and disclosed in the financial statements.</p>

Risks	Action proposed
<p>Accounting for estimates</p> <p>The preparation of the Statement of Accounts will involve the estimation of a number of account figures such as provisions for the Council's liabilities eg, equal pay claims.</p>	<p>I will review:</p> <ul style="list-style-type: none"> the annual assessment made by officers of the basis on which estimates are made and revised in line with the latest information; and documentation held to support estimates derived and judgements made, and refer to papers provided in support of them. <p>I will also ensure that appropriate accounting and disclosure requirements are included within the financial statements.</p>
<p>Accounting for Landfill Site obligations</p> <p>Where a council operates or has operated landfill sites for which it has a responsibility, there is a duty to restore the site and undertake appropriate aftercare and monitoring for several decades after closure. As a result financial obligations arise and these must be recognised in the Council's financial statements. There is a risk that insufficient accounting provision is set aside for the liabilities associated with these landfill sites.</p>	<p>I will obtain an understanding of the Council's responsibilities in relation to landfill sites and consider whether the Council has made appropriate accounting provision within its financial statements.</p>
<p>Disclosures that are material by nature</p> <p>I have identified a number of disclosures as being material by nature. These include the disclosure of Related Parties and the Remuneration note.</p>	<p>I will design detailed testing to obtain the required assurance that disclosures identified as material by nature have not been misstated.</p>

Use of resources

16. To discharge my responsibilities regarding the arrangements that the Council has established to secure economy, efficiency and effectiveness in its use of resources, I shall place reliance upon:
- the results of the audit work undertaken on the financial statements;
 - the Council's system of internal control, as reported in the Annual Governance Statement and my report thereon;
 - the results of work carried out by the Auditor General, including work carried out under the Local Government (Wales) Measure 2009, certification of claims and returns, and data-matching exercises;
 - the results of the work of other external review bodies where relevant to my responsibilities; and

- any other work that addresses matters not covered by the above, and which I consider necessary to discharge my responsibilities.

Reporting

17. The Code of Audit Practice issued by the Auditor General requires appointed auditors to comply with relevant auditing and ethical standards. These standards require formal reporting at various stages during the audit to those charged with governance.
18. In particular, auditors must report:
 - relationships that may affect the auditor's independence;
 - audit planning information; and
 - certain matters to those charged with governance (as distinct from management) before they give an opinion on the financial statements.
19. Appendix 1 highlights the key elements of the audit engagement at the Council, and I confirm that with the exception of one member of staff, there are no known threats to my independence as Appointed Auditor or on the independence of staff or contractors working for me.
20. With regards to the exception noted above, one member of the audit team is related to a member of the Council's administration staff. Our Compliance Department has reviewed this and has concluded that the possibility of this relationship affecting the financial results of the Council or the audit of the financial statements is considered remote. However, we have taken steps to ensure that our member of staff is not involved in any work we may do that covers the pooled budget arrangement with Betsi Cadwallader Local Health Board, or the Council's payroll. .
21. I will submit reports to the Corporate Governance Committee, and where necessary, to the Cabinet or Council in a timely manner. I will provide other reports or output as agreed. The key milestones are set out in [Exhibit 2](#).

Exhibit 2: Key milestones

Planned output	Planned start date	Report finalised
Annual Financial Audit Outline	March 2013	April 2013
Audit of Financial Statements (ISA 260) Report	January 2013	September 2013
Audit Opinion on the 2012-13 Financial Statements	January 2013	September 2013
Annual Audit Letter	October 2013	November 2013

Audit fee

22. The proposed fee for 2012-13 financial audit work is £165,802 which is in line with our final 2011-12 fee. The fee will be charged in equal instalments between November 2012 and October 2013. This fee is in line with the Auditor General's fees letter and is based on the zero-based fee model for financial audit. We have recently received a ruling from HMRC regarding changes in the VAT status of the Auditor General which will take effect from 1 April 2013. We are currently liaising with HMRC regarding the precise scope of this ruling and will shortly be writing to you separately to explain the implications of this ruling.
23. In recent years there have been no formal objections to the Council's financial statements. However, we have already received a number of queries and items of correspondence from members of the public and other interested parties. A small amount of time has been included within the fee to deal with minor queries, as part of the overall management of the audit.
24. Any detailed investigations or other work required to respond to queries and objections will result in an additional fee. Any such additional fee will be charged at daily rates based on the specific grade or skill mix required for the work but will be discussed with the Council prior to undertaking the work.
25. The Auditor General is required to recover, in respect of each grant or return, an amount that covers the full cost of the relevant work undertaken. Grant and return certification work is charged on a daily basis in line with the skill-related fee scales set out in the Auditor General's local government fees letter. The fees will reflect the size, complexity and particular issues relating to the specific grants.
26. Although grant certification work fluctuates from year to year, based on past experience including our concerns set out above and initial indications of changes in grant schemes and conditions, I estimate that the total fee for grant work will be in the range of £90,000 and £100,000.

Appendix 1

Key elements of the audit engagement

Key elements	Requirements	Position at the [Council/Authority]
Engagement activities		
Terms of the audit engagement	The Public Audit (Wales) Act 2004 sets out responsibility for appointment of local government external auditors in Wales.	Roles and responsibilities of appointed auditors are outlined above and in this appendix. The full Statement of Responsibilities can be found at: http://www.wao.gov.uk/assets/english_documents/statement_of_responsibilities_of_auditors_eng.pdf
Appointment of auditors and engagement leads	It is the Auditor General's responsibility to appoint local government external auditors and to assign responsibility for each engagement to an engagement lead.	Details of the Appointed Auditor and the Engagement Lead are provided in Appendix 2 of this document.
Discretionary work by agreement	The Auditor General has set out clear criteria for approval of any discretionary work requested by audited bodies.	No discretionary agreement work has been requested or is proposed.
Ethical considerations		
Independence	Appointed auditors are required to consider the following: <ul style="list-style-type: none"> • threats to auditor independence (including litigation); • family and other personal relationships; • long association with the audited body (see Wales Audit Office rotation of audits policy); and • contentious or difficult issues. 	I confirm that with the exception of one member of staff, there are no known threats to my independence as the Appointed Auditor or to the independence of staff or contractors working for me, and I have complied with the Wales Audit Office rotation policy. Details of how this potential conflict of interest is to be managed has been detailed in paragraph 20 of this document.
Engagement performance	Engagement Leads need to consider what level of quality assurance and review levels are appropriate.	Wales Audit Office quality control review mechanisms are in place for the audit, and the Engagement Lead has established appropriate review levels based on the experience of the staff undertaking the audit work.

Appendix 2

Financial audit team

Name	Role	Contact number	E-mail address
Anthony Barrett	Appointed Auditor	029 20 320571/ 012 4452 5970	anthony.barrett@wao.gov.uk
Derwyn Owen	Engagement Lead	029 20 320651	derwyn.owen@wao.gov.uk
Anthony Veale	Audit Manager	029 20 320585	anthony.veale@wao.gov.uk
Nick Raynor	Team Leader	01244 525970	nicholas.raynor@wao.gov.uk

DRAFT



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Report To: Corporate Governance Committee

Date of Meeting: 10th April 2013

Lead Member / Officer: Head of Legal and Democratic Services

Report Author: Head of Legal and Democratic Services

Title: Electronic Voting System

1. What is the report about?

1.1 The operation of the electronic voting system in the Council Chamber and the constitutional implications of changing the way in which it is used.

2. What is the reason for making this report?

2.1 To provide information regarding the operation of the electronic voting system, requests that have been made for information from the system and the implications of changing the way in which the system is used.

3. What are the Recommendations?

3.1 That the Committee note the contents of the report and make recommendations as to the future operation of the electronic voting system in the Council Chamber

4. Report details.

4.1 The Council's Standing Orders set out the way in which voting takes place at meetings of the Council or its committees. The Standing Orders provide for voting to take place by way of a show of hands or affirmation of the meeting. The majority of meetings are held in meeting rooms other than the Council Chamber in County Hall where there are no electronic voting facilities. Only Full Council and Planning Committee regularly meet in the Council Chamber.

4.2. The electronic voting system in County Hall's Chamber is used to produce quick, accurate numbers of members voting for, against or abstaining on a motion. The system also records the way that each member casts their vote and those records are occasionally requested by councillors, the press and members of the public. Owing to the use made of the voting system, the Council is currently unlikely to release information of individual votes cast (even following a Freedom of Information Act request) because the Council cannot guarantee the accuracy of the information.

4.3 Because the electronic voting system is only used to record the number of votes cast for, against or to abstain in respect of any matter to be decided at a meeting extra precautions would have to be in place to guarantee the accuracy of the record of votes allocated to named councillors. These would include procedures to ensure

that members never moved from an allocated seat (or that their voting card always moved with them) and thorough checks being made on the issuing of voting cards to eliminate any possibility of errors. Councillors might also have to assume responsibility for ensuring they have the correct voting card allocated to them. As these measures are not needed to allow the voting system to accurately count the number of votes cast they have not been introduced and the electronic record of individual votes cast is viewed as a by-product of the system; not a reliable record. It should be noted that the additional precautions could be introduced if public access to the named voting records is agreed by Council, but this should not be retrospective.

4.4 There is already a procedure in the Standing Orders for recording the way votes are cast, which involves each councillor declaring how they are voting. This is called a recorded vote. A recorded vote will be taken where one sixth of the members present demand it. The results of a recorded vote will be set out in the minutes of the relevant meeting.

5. How does the decision contribute to the Corporate Priorities?

This decision does not impact directly on the corporate priorities.

6. What will it cost and how will it affect other services?

There are no additional costs directly associated with this report.

7. What consultations have been carried out and has an Equality Impact Assessment Screening been undertaken?

An equality impact assessment assesses the likely impact of decisions on people who share protected characteristics. The issues covered in this report are not considered to have any impact and a formal assessment has therefore not been undertaken.

8. Chief Finance Officer Statement

Not requested at this stage.

9. What risks are there and is there anything we can do to reduce them?

This report outlines the risks attached to making the electronic voting records available to the public. The report also highlights the measures that would be needed if the Council decides to make the records available in the future.

10. Power to make the Decision

10.1 Local Authorities (Standing Orders) (Wales) Regulations 2006

Report to: Corporate Governance Committee

Date of meeting: 10th April 2013

Lead Member / Officer: Councillor Barbara Smith / Gary Williams

Report Author: Gary Williams, Head of Legal and Democratic Services

Title: Webcasting and remote attendance

1 What is the report about?

- 1.1 This report is about the proposals made by the Welsh Government in respect of webcasting and remote attendance.

2 What is the reason for making this report?

- 2.1 The report seeks to inform Members of the Committee about the Welsh Government's proposals regarding the webcasting of council meetings and the ability of Members to attend meetings remotely.

3 What are the recommendations?

- 3.1 That the Committee notes the position relating to webcasting and remote attendance and the suggested next steps.

4 Report details

- 4.1 The former Minister for Communications and Local Government wrote to all authorities earlier this year indicating that the Welsh Government was making £1.2 million available by way of grant to local authorities in order to assist them in, amongst other things, implementing the webcasting of council meetings and the remote attendance at meetings by Members.

- 4.2 Each local authority was able to accept a grant of £20k for webcasting and £20k for remote attendance.

4.3 Webcasting

Webcasting of meetings involves the live streaming of sound and images of council meetings. The webcast can also be made available on the Council's website as archived material. This means that members of the public who are not able to attend meetings may either view them live online or at a later time or date via the online archive.

- 4.4 The Welsh Government and WLGA have facilitated meetings with Democratic Services Officers to discuss the issue of webcasting at which a demonstration of one of the systems that are available has been delivered.
- 4.5 There is the facility on some systems to enable members of the public who are viewing a meeting that is being webcast to get involved in discussion forums via social media tools such as twitter and facebook and give their views on issues being discussed. The archived material can be made available for viewing with a linked timeline setting out the items of business and the names of speakers so that viewers may go straight to the item or speaker that they wish to view.
- 4.6 It is possible to webcast in such a way that the viewer is able to access the translator service.
- 4.7 There is no statutory obligation on the Council to webcast meetings. This is however becoming a more common practice among local authorities.
- 4.8 The Council is already obliged by law to hold meetings in public. Members of the public are entitled to attend meetings of the Council, Cabinet and other Committees.
- 4.9 There is not generally a large attendance by the public at meetings and the facilities available to accommodate large numbers of people are limited.
- 4.10 The webcasting of meetings would make meetings of the Council more accessible to members of the public.
- 4.11 There will be a cost to the provision of webcasting and the Welsh Government grant is only available for one year with no guarantee of future funding.
- 4.12 In addition to software licensing fees there may be additional resources required to operate the system in supporting the population of the timeline of archived material.
- 4.13 **Remote attendance**
- S.4 Local Government (Wales) Measure 2011 provides that reference in any statute to a meeting of a local authority is not limited to a meeting of persons all of whom are present in the same place.
- 4.14 A member of a local authority who is not present in the place where a meeting of that authority is held is considered to be a 'Member in remote attendance' if a number of conditions are satisfied.
- 4.15 The conditions are that:-
- (a) the member in remote attendance is able at that time:
 - (i) to see and hear, and be seen and heard by the members in actual attendance;

- (ii) to see and hear, and be seen and heard by, any members of the public entitled to attend the meeting who are present in that place and who exercise a right to speak at the meeting, and
 - (iii) to be seen and heard by any other members of the public who are entitled to attend and are present at the meeting.
- (b) the member in remote attendance is able at that time to hear, and be heard by, any other member in remote attendance in respect of whom the conditions of paragraph (a) are satisfied at that time, and
- (c) use of facilities enabling the conditions in paragraphs (a) and (b) to be satisfied in respect of the member in remote attendance is not prohibited by the standing orders or any other rules of the authority governing the meeting.
- 4.16 There is no quorum for a meeting at any time when the number of members in remote attendance is equal to, or greater than, the number of members in actual attendance.
- 4.17 The local authority must have regard to any guidance given by the Welsh Ministers in relation to remote attendance
- 4.18 s.4 of the Measure has not yet been brought into force. In his letter the former Minister indicated that the provision would be brought into force later this year.
- 4.19 There are difficulties associated with the introduction of remote attendance not least of which are technological. It is not clear that a system enabling a large number of remote attendees is feasible.
- 4.20 There are also governance issues to be considered. These relate to:-
- the confidentiality of Part II proceedings;
 - the potential for challenge to decisions if the technology fails and members wishing to attend remotely are unable to attend and vote;
 - the potential for inquorate meetings due to the balance between members attending remotely and those physically present at the meeting.
- 4.21 The Council's standing orders and procedures would need to be amended to make provision for these issues.

5 How does the decision contribute to the Corporate Priorities?

- 5.1 The potential for improved access for the public to view Council meetings and engage with the Council via social media contributes to the priority of Modernising the Council to deliver efficiencies and improve services to our customers.

6 What will it cost and how will it affect other services?

- 6.1 It is anticipated that webcasting will cost in the region of £20k per annum. The cost of remote attendance is not yet known.

7 What consultations have been carried out?

- 7.1 CET have been consulted and are of the view that the question of webcasting be put before members at Council in order that they can decide whether or not they wish to have meetings webcast.

8 Chief Finance Officer Statement

- 8.1 The cost of implementing the proposals should be considered in relation to the funding available. Costs should be contained within the funding available. Any ongoing costs beyond the term of the grant would be a cost pressure for the Council.

9 What risks are there and is there anything we can do to reduce them?

- 9.1 The risks associated with webcasting are that if it is implemented and the system does not work consistently then the Council's reputation may suffer.

There is a risk that there will be no additional funding from Welsh Government for this system from 2014/15 onwards.

The risk associated with not implementing a webcasting solution is that the Council will be seen to be left behind if other authorities in Wales proceed.

Some risks associated with remote attendance are set out in paragraph 4.20.

10 Power to make the decision?

- 10.1 S111 Local Government Act 1972.

Report to: Corporate Governance Committee

Date of meeting: 10th April 2013

Lead Officer: Head of Legal and Democratic Services

Report Author: Gary Williams, Head of Legal and Democratic Services

Title: Whistleblowing Policy

1 What is the report about?

1.1 The Council's Whistleblowing Policy.

2 What is the reason for making this report?

2.1 To seek the Committee's comment and observations on a draft revision to the Council's Whistleblowing Policy.

3 What are the recommendations?

3.1 That the Committee comment on the draft revised policy and refer it to Council for approval.

4 Report details

4.1 The Council's current Whistleblowing Policy is attached as Appendix 1 to the report.

4.2 A review of the Policy has led to the preparation of a revised draft policy which is attached as Appendix 2 to the report.

4.3 The revised Policy is accompanied by a Briefing Note for Managers which is attached as Appendix 3 to the report.

4.4 The Council is committed to conducting its business in an open, transparent and ethical way.

4.5 The people who work for or with the Council will often be the first to realise that there is something wrong within the Council.

4.6 The aim of the Whistleblowing Policy is to encourage those who work for or with the Council to feel confident that they can raise genuine concerns about illegal, unethical or improper conduct and that they will be protected from harassment, victimisation or reprisals connected to the raising of their concerns.

4.7 The types of concerns that are intended to be covered by the Policy are set out in paragraphs 2.2 and 2.3 of Appendix 2.

- 4.8 Under the Officers' Code of Conduct, staff are obliged to report illegal, improper or unethical conduct.
- 4.9 The Public Interest Disclosure Act 1998 provides legal protection for workers, including contractors and agency staff, who raise genuine concerns and make disclosures in good faith about malpractice. It is unlawful for an employer to dismiss anyone or allow them to be penalised or victimised on the basis that they have made an appropriate lawful disclosure in accordance with the Act.
- 4.10 The Policy sets out how a concern may be raised and seeks to make clear that whilst it is hoped that the culture of the organisation will make people feel comfortable about raising issues internally, the important thing is that the concern is raised even if that means taking the matter to an external body.
- 4.11 Individuals who have a concern may be unsure as to with whom they can raise the matter. The Policy seeks to set out contacts both internal and external to the Council with whom it would be appropriate to raise a concern.
- 4.12 The Policy sets out what an individual who raises a concern can expect from the Council by way of a response and gives guidance as to how the issue of confidentiality will be handled.
- 4.13 It is to be hoped that the number of issues raised under the Policy will be few. It will not therefore be a Policy that managers will be used to dealing with on a regular basis. A briefing note has been developed to give managers guidance as to how to deal with a concern that is raised. This is set out in Appendix 3.
- 4.14 Once approved, it will be necessary to ensure that awareness is raised amongst staff and others who work with the Council. There will need to be periodic awareness raising exercises thereafter to ensure that the Policy remains visible to those who may wish to use it and to managers who may need to implement it.

5 How does the decision contribute to the Corporate Priorities?

- 5.1 A Whistleblowing Policy which enables those who work for or with the Council to raise concerns about wrongdoing will help the Council achieve its corporate priorities.

6 What will it cost and how will it affect other services?

- 6.1 There are no direct costs associated with this report.

7 What consultations have been carried out?

- 7.1 SLT have been consulted and changes to the draft have been made to take into account comments made by SLT.

8 Chief Finance Officer Statement

8.1 A reliable Whistleblowing Policy is an important part of the Council's overall governance arrangements.

9 What risks are there and is there anything we can do to reduce them?

9.1 The risk of not having a Whistleblowing Policy is that there is no safe mechanism for those who work for or with the Council to raise legitimate concerns about wrongdoing.

10 Power to make the decision?

10.1 S111 Local Government Act 1972.

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WHISTLEBLOWING POLICY

Originated by:	Central Personnel
LJCC:	
Full Council:	
Implemented:	
Amended	07/04/2010

Introduction

Denbighshire County Council is committed to being an open and accountable organisation. It is not just an expectation, **but a requirement** of all employees to bring to the Council's attention any justifiable concerns that they have to ensure that the people of Denbighshire receive services which are in accord with the Council's regulations, procedures and codes of practice.

The responsibility for whistleblowing rests with any person, whatever their position, who has evidence of malpractice. Employees are often the first to realise that there may be something seriously wrong; however, they may not be able to express their concerns because they feel that by doing so:

- They would be disloyal either to colleagues or managers
- They may suffer harassment or victimisation

Definitions

Whistleblowing

Any action by an employee to disclose malpractice in the form of irregularity, wrongdoing or serious failures which relate to any policies, procedures, guidelines or regulations.

Employee

Includes all employees (temporary, permanent, casual, and relief), contractors working for the Council premises, those providing services under contract for the Council.

Aims of the Whistleblowing Policy

1. The aims of this Policy are to:
 - Ensure that all employees feel confident in raising justifiable concerns and in questioning and acting upon those concerns
 - Ensure that all employees receive a response to their concerns and know how to pursue them if they are not satisfied
 - Encourage good communication and an open and supportive work environment
 - Protect employees from harassment and victimisation if they have "whistleblown" in good faith
 - Reassure the people of Denbighshire that the highest standards of service and conduct are expected
2. Justifiable concerns may relate to anything which:

- Is unlawful
 - Is contrary to the Council's Financial Regulations or policies
 - Where experience, or learning tells them that something is seriously amiss
3. This Policy is not for employees to make a grievance about their own situation or for people who use our services to make complaints. There are already existing procedures for these.

1.0 Safeguards

1.1 Harassment or Victimisation

The Council is committed to the highest possible practices and standards and will be supportive to any employee who raises any justifiable concern in good faith. We require all employees to ensure that they act upon any concern that they have. Not to do so would be a neglect of their professional duty.

Employees who do raise genuine concerns can be assured of the full support of the Council, which will take action to protect employees against harassment or victimisation to the maximum extent of the resources available. Employees who raise concerns about malpractice in good faith with their employers are protected against victimisation and dismissal by the Public Interest Disclosure Act 1998.

1.2 Confidentiality

The Council will do its best to ensure that confidentiality is maintained; however, as investigations progress there may be a requirement for the "whistleblower's" identity to be revealed, or for them to give evidence in person.

If the "whistleblower's" identity does need to be divulged, the Council will make provision for support.

1.3 Anonymous Allegations

This Policy encourages employees to give their names, as anonymous concerns are much less powerful. In considering anonymous allegations the Council will take account of:

- The seriousness of the issues raised
- The credibility of the concern
- The likelihood of confirming the concern from attributable sources

If the Council decides not to pursue an anonymous allegation it shall record the reasons for its decision in writing and notify any employee who may be subject of such an allegation that no further action will be taken.

1.4 Untrue Allegations

The Council encourages employees to raise justifiable concerns that they have in good faith; however, there may be rare occasions when it becomes apparent that concerns are being raised maliciously or vexatiously, and, in such circumstances, disciplinary action may be taken.

1.5 Sources of Support

There are a number of sources of support both for employees who wish to raise concerns under this procedure and for employees who may be the subject of allegations made under the procedure. For example, trade unions will be able to offer procedural advice and represent employees in any interviews or hearings, and the Occupational Health team will be available to employees to offer support and counselling.

1.6 Protection

Under the Public Interest Disclosure Act 1998, disclosures made for the purpose of obtaining legal advice are protected. This Policy ensures that disclosures made to recognised trade union officials will also be protected.

2.0 How to Raise a Concern

In the first instance, attempts should be made to discuss the concerns with the line manager; however, this Policy recognises that this is not always possible. There are several ways of raising concerns and these will depend on the seriousness of the concern and who is involved. Employees can contact:

- Senior managers within the Department
- Heads of Service
- Corporate Directors
- The Chief Executive
- The Monitoring Officer
- The Head of Internal Audit Services
- Trade unions
- The Children's Commissioner

Trade union representatives and professional associations will prove a valuable resource for employees who wish to use this procedure.

The Children's Commissioner has the power to initiate and conduct an inquiry into cases of individual children who raise issues of public policy of relevance to other children.

Employees should raise their concerns in writing at the earliest opportunity possible. If an employee requires assistance in order to put their concerns in writing, they may contact any of the officers in 4.1 above.

Details should include:

- Background and history
- Names, dates and places where possible
- Reasons why they are concerned
- Copies should be kept of all correspondence, but:
- Originals of any documents should not be removed from the workplace
- Copies should not be given to any outside bodies before the Council has had the opportunity to respond to the concerns raised, or particularly if it contains confidential or privileged information.

Although employees are not expected to prove the truth of any allegations, they will need to demonstrate that there are sufficient grounds for their concerns.

3.0 How the Council will respond

The Council will respond to any concerns raised. Action taken will depend on the nature of the concern. The action may include:

- Appointing an internal investigating officer to the Directorate
- Appointing an independent person to oversee investigations in relation to children
- Appointing an investigating officer external to the Directorate or Council
- Referral to the Police
- Referral to the external auditor
- In making the decision on how to investigate, the Council will need to:
- Test out the validity of the concerns – this is not the same as rejecting them
- Establish whether other procedures are more appropriate e.g. Child Protection, harassment procedures etc.
- Establish whether an agreed action can be taken without investigation
- In responding to the person raising the concerns, the Council will:
- Acknowledge the concern within 10 working days
- State how the matter will be dealt with

- Give an estimate of how long it will take to conclude matters – if this is delayed it will keep in touch
- Inform of any initial enquiries made
- Inform of any further investigations planned to take place – if there none, then reasons will be given
- Inform of the need to clarify issues with them
- Supply information on employee support available

Contact between the person responsible for the investigation and the employee may or may not be substantial, depending on the need to clarify issues. The employee should always be given the opportunity to have a friend, who is not directly involved in the work relating to the concern, or a representative of their trade union or professional association to be present at any interviews.

If the concerns are referred on to any other proceedings e.g. disciplinary or the Police, the Council will advise and, where possible, support the employee through the procedures.

The Council will inform the person raising the concern of the outcome of the investigation and resultant action, subject to legal constraints.

4.0 How the matter can be taken further

This policy is intended to provide for concerns to be addressed within Denbighshire County Council. If, however, this is not achieved, the employee should ask:

- Whether the Chief Executive is aware of the concerns and investigation
- How else they can pursue their claims within the Council
- Why their concerns have not been accepted
- For confirmation in writing

Before taking their concerns outside of the Council.

If the employee is still dissatisfied, they can pursue other avenues:

- A Denbighshire County Councillor
- The Council's external auditor
- Relevant professional bodies, regulatory organisations or Trade Union
- A solicitor
- The Police
- Local M.P. or A.M.

- Public Interest Disclosure Line (020-7404-6609) or e-mail helpline@pcaw.co.uk

If concerns are taken outside the Council, the employee will need to ensure that they do not disclose confidential information, or that disclosure is “privileged”.

5.0 The responsible officer

The Responsible Officer is the “Monitoring Officer” for the Council.

The Monitoring Officer has the overall responsibility for the maintenance and operation of this Policy.

The Monitoring Officer will maintain a record of concerns raised and action taken. The Monitoring Officer will also ensure that outcomes of investigations are reported as necessary to Cabinet or designated Committee, ensuring confidentiality.

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Whistleblowing Policy

1 INTRODUCTION

- 1.1 People who work for or with the Council are often the first to realise that there may be something wrong within the Council. However, they may feel unable to express their concerns because they feel that speaking up would be disloyal to their colleagues, managers or to the Council. They may also fear harassment or victimisation. They may be worried about raising such issues or they may want to keep the concerns to themselves, perhaps feeling it's none of their business or that it's only a suspicion. They may decide to say something but find that they have spoken to the wrong person or raised the issue in the wrong way and are not sure what to do next.
- 1.2 The Council has introduced this policy to enable you to raise your concerns at an early stage and in the right way. We would rather that you raised the matter when it is just a concern rather than wait for proof.
- 1.3 This policy makes it clear that you can raise your concerns without fear of harassment, victimisation, subsequent discrimination or disadvantage and is intended to encourage and enable people working for or with the Council to raise concerns within the Council rather than overlooking a problem or "blowing the whistle" outside. If something is troubling you which you think we should know about or look into, please use this policy.
- 1.4 This policy applies to all:
 - employees of Denbighshire County Council
 - employees of contractors working for the Council on Council premises, for example, agency staff, builders, drivers
 - Those providing services under a contract or other agreement with the Council in their own premises, for example care homes
 - Voluntary workers working with the Council
 - Consultants engaged by the Council

2 AIMS AND SCOPE OF THIS POLICY

- 2.1 This policy aims to:
 - encourage you to feel confident in raising concerns and to question and act upon concerns about malpractice
 - provide avenues for you to raise concerns and receive feedback on any action taken
 - ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied
 - reassure you that you will be protected from reprisals or other action if you have a reasonable belief that you have made any disclosure in good faith

2.2 The Whistleblowing Policy is intended to cover concerns other than your employment, where the interests of others or of the Council itself are at risk. These include:

- conduct which is an offence or a breach of law
- disclosures related to miscarriages of justice
- health and safety risks, including risks to the public as well as other employees
- unlawful discrimination
- damage to the environment
- the unauthorised use of public funds
- possible fraud and corruption
- sexual or physical abuse of clients,
- the neglect, emotional, physical or sexual abuse of children or other inappropriate behaviour towards them
- other unethical conduct

This is not intended to be an exhaustive list.

2.3 Any concerns that you have about any aspect of service provision or the conduct of officers or members of the Council or others acting on behalf of the Council can be reported under the Whistleblowing Policy. This may be about something that:

- makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribes to; or
- is against the Council's Standing Orders, Financial Regulations and policies;
or
- falls below established standards of practice; or
- amounts to improper conduct.

2.4 The Officers Code of Conduct provides that if an employee becomes aware of activities which he or she believes to be illegal, improper or unethical, the employee should report the matter in accordance with this procedure.

2.5 This policy does not apply in the following circumstances:

2.5.1 **Employment Issues**

If you are an employee, there are existing procedures in place to enable you to raise concerns relating to your own employment. You should always use the relevant Human Resources Policy before this Whistleblowing Policy.

2.5.2 Elected Members Conduct

Concerns relating to the conduct of elected Members should be raised in accordance with the Member's Code of Conduct.

2.5.3 Complaints

This policy does not replace the corporate Complaints Procedure which is concerned with addressing complaints about Council services.

2.5.4 Other Services

If you have any concerns about another organisation that provides services on behalf of the Council you should contact the service provider in the first instance. In cases where the Council contracts with a private organisation it may be appropriate to notify the relevant Service Area of the Council. In some cases it may also be necessary to inform the appropriate regulatory organisation.

3 SAFEGUARDS – OUR ASSURANCES TO YOU

- 3.1 The Council is committed to good practice and high standards and wants to be supportive of employees and others using this policy.

Your legal rights

- 3.2 The Public Interest Disclosure Act 1998 provides legal protection for workers (including contractors and agency staff) who raise genuine concerns and make disclosures in good faith about malpractice. The Act makes it unlawful for the Council to dismiss anyone or allow them to be penalised or victimised on the basis that they have made an appropriate lawful disclosure in accordance with the Act.

Support to you

- 3.3 The Council recognises that the decision to report a concern can be a difficult one to make. If you believe what you are saying is true, you have nothing to fear because you will be doing your duty to your employer and those for whom you are providing a service. You will not be at risk of losing your job or suffering any form of punishment as a result.
- 3.4 The Council will not tolerate discrimination, harassment or victimisation (including informal pressures) and will take appropriate action, including disciplinary action to protect you when you raise a concern in good faith.
- 3.5 Any investigations into allegations of potential malpractice raised by you will not influence or be influenced by other procedures such as investigations and hearings under the disciplinary, sickness, capability, redundancy or any other procedures that already affect you or may affect you in the future.
- 3.6 At all times during the raising and investigation of your concerns:
- 3.6.1 you will be given full support from Senior Management

3.6.2 your concerns will be taken seriously

3.6.3 the Council will do all it can to help you throughout the investigation, e.g. provide advocacy services, interpreters etc.

3.7 If appropriate, after full consultation, the Council will consider temporarily redeploying you or others for the period of the investigation.

4 CONFIDENTIALITY

4.1 All concerns will be treated in confidence and every effort will be made not to reveal your identity if you so wish. If the situation arises where we are not able to resolve the concern without revealing your identity you will be informed of this and the reasons why.

5 ANONYMOUS ALLEGATIONS

5.1 This policy encourages you to put your name to your allegation whenever possible.

5.2 Concerns expressed anonymously are much less powerful, but will be considered at the discretion of the Monitoring Officer.

5.3 In exercising this discretion, the factors to be taken into account would include:

- the seriousness of the issues raised
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

5.4 Remember that if you do not tell us who you are, it will be much more difficult for us to look into the matter, or to protect your position, or to give you feedback. Accordingly, this policy is better suited to concerns not raised anonymously.

5.5 If the Monitoring Officer decides not to pursue an anonymous allegation he/she will record the reasons for this decision in writing. These decisions will be included in the Monitoring Officer's annual report to Corporate Governance Committee referred to in 10.7 below.

6 UNTRUE ALLEGATIONS

6.1 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

6.2 The question of whether or not an allegation has been made frivolously, maliciously or for personal gain will be determined by the outcome of the investigation into your concern.

7 HOW TO RAISE A CONCERN

- 7.1 The Council wishes to ensure that people who have concerns that should be raised under this Policy do so. Paragraphs 7.2 to 7.7 give examples of how to raise a concern, but are not compulsory. You should raise your concern with whomever you feel most comfortable raising it.
- 7.2 As a first step, we hope you will feel able to raise concerns with your immediate manager.
- 7.3 In some cases it may be more appropriate to raise concerns with someone more senior or directly with one of the internal contacts listed at the end of this document.
- 7.4 This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that your management is involved you should approach the Chief Executive, the Monitoring Officer, the Chief Finance and Performance Officer or the Head of Internal Audit.
- 7.5 If any information raises concern about harm or potential harm to either children or vulnerable adults, then these concerns should be reported immediately to the Child Protection Co-ordinator or the Protection of Vulnerable Adults Co-ordinator or the out of hours Emergency Duty Team.
- 7.6 If you have serious concerns which you feel unable for whatever reason to raise within the Council, you should raise the matter with one of the external contact points referred to at the end of this document.
- 7.7 Concerns may be expressed verbally or in writing. If you wish to make a written report you are invited to use the following format:
- the background and history of the concern (giving relevant dates)
 - the reason why you are particularly concerned about the situation
- If you prefer you may use the report form contained in Appendix 2 and give this to the person with whom you raise your concern.
- 7.8 The earlier you express your concern the easier it is to take action.
- 7.9 Although you are not expected to prove the truth of an allegation, you will need to demonstrate to the person contacted that there are sufficient grounds for your concern.
- 7.10 Advice and guidance on how matters of concern may be pursued can be obtained either from your Head of Service, or the Head of Legal and Democratic Services (Monitoring Officer).
- 7.11 You may invite your trade union professional association representative, a friend, or someone from an advocacy or translation service to be present during any meetings or interviews in connection with the concerns you have raised.

8 HOW THE COUNCIL WILL RESPOND

- 8.1 The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.
- 8.2 The person to whom you report your concerns under this policy must in turn, report them to the Monitoring Officer within three working days.
- 8.3 The Monitoring Officer will liaise with the Head of Internal Audit to consider the most appropriate method of investigating the matters of concern raised by you. Please do not attempt to investigate these matters yourself once they have been raised as this could compromise any subsequent investigation into your concern.
- 8.4 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.
- 8.5 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.
- 8.6 Where appropriate, the matters raised may:
- be investigated internally by management, internal audit, or through the disciplinary process
 - be referred to the Police
 - be referred to the External Auditor
 - form the subject of an independent inquiry
- 8.7 Within ten working days of a concern being raised, you will receive a letter (or information in your preferred format):
- acknowledging that the concern has been received
 - indicating how we propose to deal with the matter
 - giving an estimate of how long it will take to provide a final response
 - telling you whether any initial enquiries have been made;
 - supplying you with information on staff support mechanisms, and
 - telling you whether further investigations will take place, and if not, why not.
- 8.8 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you.

- 8.9 Where any meeting is arranged, off-site if you so wish, you can be accompanied by a Union or professional association representative or a friend
- 8.10 The Council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Council will advise you about the procedure and provide you with the necessary support.
- 8.11 The Council accepts that you need to be assured that the matter has been properly addressed. You will, subject to legal constraints, receive information about the outcome of any investigations.
- 8.12 Whilst we cannot guarantee that we will respond to all matters in the way that you might wish, we will try to handle the matter fairly, properly and without undue delay. By using this policy, you will help us to achieve this.

9 INDEPENDENT ADVICE

- 9.1 If you are still unsure whether or how to raise a concern or you want confidential advice, you can contact the independent charity Public Concern at Work on 020 7404 6609 or at www.pcaw.co.uk

Their Lawyers can give you free confidential advice on how to raise a concern about serious malpractice at work.

- 9.2 You may prefer to speak to your Trade Union to seek advice about how to raise a concern under this policy. The contact details for the trade unions recognised by the Council for collective bargaining purposes are contained in Appendix 1.

10 THE RESPONSIBLE OFFICER

- 10.1 The Monitoring Officer (Head of Legal and Democratic Services) has overall responsibility for the maintenance and operation of this policy.
- 10.2 The Monitoring Officer maintains a record of concerns raised and the outcomes of investigations in a form which does not endanger your confidentiality.
- 10.3 The person who receives your concerns must report them to the Monitoring Officer in accordance with 8.2 above.
- 10.4 The person who receives the report into the investigation of your concerns must report the outcomes to the Monitoring Officer.
- 10.5 The Monitoring Officer will pursue the outcomes of the investigation if they are not reported promptly in accordance with 10.4 above.
- 10.6 The Monitoring Officer will review all concerns and outcomes on a periodic basis to ensure that they have all been investigated in accordance with this Policy.

10.7 The Monitoring Officer will report, in a format that does not compromise confidentiality, at least once a year to the Corporate Governance Committee on the operation of this Policy, the outcome of the reviews conducted under 10.6 above and any changes in practice introduced as a result of a concern raised under this Policy.

11 HOW THE MATTER CAN BE TAKEN FURTHER

11.1 This Policy is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, further possible contact points are given in the External Contact List at the end of this booklet.

11.2 If you do take the matter outside the Council, you should ensure that you do not disclose information which should properly remain confidential. You will need to confirm this with the person or organisation you decide to contact.

INTERNAL CONTACT LIST

Advice or guidance about how to pursue matters of concern may be obtained from any of the people named below:

Chief Executive

Corporate Director (Modernisation and Wellbeing)

Corporate Director (Economic and Community Ambition)

Corporate Director (Customers)

Monitoring Officer, Head of Legal and Democratic Services

Deputy Monitoring Officer

Head of Finance and Assets

Head of Internal Audit

Chair of Corporate Governance Committee

Any Head of Service or any local trade union official

Concerns about harm or potential harm to either children or vulnerable adults should be reported immediately to:

Child Protection Co-ordinator - Tel. No. 01824 712286

Protection of Vulnerable Adults Co-ordinator - Tel. No. 01824 706675

Or

Emergency Duty Team (out of hours) - Tel. No. 0845 0533116

EXTERNAL CONTACT LIST

If you have used the appropriate internal procedures and are not satisfied with any action taken in relation to your concerns and if you feel it is right to take the matter outside the Council, further possible contact points are given below. It is stressed that the list below is not exhaustive and you are free to contact any organisation which you feel will be able to deal properly with your concerns.

Public Services Ombudsman for Wales - Tel. No. 01656 641150

Wales Audit Office – Tel. No. 02920 320500

North Wales Police – Tel. No. 101 or 0300 330 0101

Professional bodies (examples):

The Chartered Institute of Public Finance and Accountancy – Tel. No. 020 7543 5600

Regulatory Organisations (examples):

Environment Agency – Tel. No. 0800 807060

Health and Safety Executive – Tel. No. 0845 3009923

Care and Social Services Inspectorate for Wales – Tel. No. 01443 848450

Equality and Human Rights Commission – Tel. No. 0845 6048810

Citizens Advice Bureau – Tel. No 08444 77 20 20

Recognised Trade Unions:

UNITE Tel. No. 01352 733611

UNISON Tel. No. 01824 708043

GMB Tel. No. 01492 535313

If you are unsure whether or how to use this procedure or want independent advice, you may contact the independent charity Public Concern at Work on 020 7404 6609 or at www.pcaw.co.uk. Their lawyers can give you free confidential advice at any stage on how to raise a concern about serious malpractice at work.

Whistleblowing Policy
Report Form

The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we expect employees and others that we deal with who have concerns to come forward and voice those concerns. It is recognised that many cases will have to proceed on a confidential basis. If you wish to make a report please use this pro-forma.

- 1 Background and history of the concern (please give as much information as you can dates, times of incidents, names of others who may have information, names of people involved)
- 2 The reasons why you are particularly concerned about the situation.

(Please attach additional sheets if necessary)

- 3 You are encouraged to put your name to this report. Concerns expressed anonymously are much less powerful but they will be considered so far as is possible by the Council. If you feel able to, please give your name and details below.

Signed

Name.....

Department (if applicable).....

Address:

.....

Contact Telephone Number.....

E-mail address:

Date.....

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WHISTLEBLOWING

BRIEFING NOTE FOR MANAGERS

Contents:

- 1. What is Whistleblowing?**
- 2. The Importance of a Whistleblowing Policy**
- 3. DCC Policy**
- 4. Consequences of Getting it Wrong**
- 5. Culture**
- 6. Confidentiality**
- 7. Training & Awareness Raising**
- 8. What to do if the Whistle is Blown**
- 9. Reviews**
- 10. Contacts & Advice**

1. What is Whistleblowing?

'Whistleblowing' is the popular term used when someone who works for or with an organisation raises a concern about something that they believe to be illegal, improper, unethical or dangerous. Workers are often the first to realise that something may be wrong within an organisation and it is important that they feel they have a procedure that allows them to raise their concerns within the organisation, rather than feeling constrained to keep quiet or raise their concerns outside.

It is important to distinguish whistleblowing from a worker's concerns about their own employment. The Council has Human Resources Policies that should be used to deal with individual workers' concerns about their own employment.

Whistleblowing concerns matters other than the worker's own employment where the interests of others or of the Council itself are at risk.

Paragraphs 2.2 and 2.3 of the Policy give examples of issues that may be dealt with under the Policy.

2. Why is it important to have a Whistleblowing Procedure?

Every organisation faces the risk that something will go badly wrong and ought to welcome the opportunity to address it as early as possible. Whenever such a situation arises the first people to know of the risk will usually be those who work for or with the organisation. Yet while these are the people best placed to raise the concern before damage is done, they often fear they have the most to lose if they do speak up. Workers need to feel that they can tell someone about their concerns without fear of being disadvantaged, victimised or harassed as a result.

If there are no procedures in place that allow workers to do that, there are no 'safe' alternatives for them. The consequences are:

- They may keep quiet and the wrongdoing will continue
- They may want to raise the matter internally but are worried about the consequences e.g. Will I have to prove it? What if they don't believe me? Will I be disciplined or victimised?
- They may raise the matter externally e.g. the Press

An organisation where the value of open whistleblowing is recognised will be better able to:

- deter wrongdoing
- pick up potential problems early
- enable critical information to get to the people who need to know and can address the issue
- demonstrate to stakeholders, regulators and the courts that they are accountable and well managed

- reduce the risk of anonymous and malicious leaks
- minimise costs and compensation from accidents, investigations, litigation and regulatory inspections; and
- maintain and enhance its reputation

A good whistleblowing procedure will allow workers to raise genuine concerns safely and discretely internally, and will reassure them that they will not be disadvantaged in the workplace as a result. However, to be effective it is important that workers are aware of the policy, and that managers deal effectively with any concerns raised.

Whistleblowing means developing a culture of honesty and openness where workers feel able to raise their legitimate concerns and management welcome such interventions so that they can address any wrongdoing.

3. DCC Policy

The Council's current Policy is attached to this Note. This policy has recently been revised. It is also available on the Council's intranet and external website.

The Policy sets out how workers can raise concerns. Ideally, they should raise them with their line managers initially, but they may not always feel comfortable in doing so. The most important thing is that workers feel able to come forward. The Policy specifically states that they can raise their concern with whoever they feel most comfortable. The Policy in Section 7 sets out how they may ideally raise a concern and has an Appendix 1 which gives the contact details of those persons and bodies both internal and external that they may wish to discuss or raise a concern with.

The Policy is clear at paragraph 7.5 that Child Protection or Protection of Vulnerable Adults concerns should be referred immediately to the relevant co-ordinator.

4. The Consequences of Getting it Wrong

4.1 Some high profile examples:

- Clapham Rail Crash – supervisor had noticed faulty wiring months before but didn't want to rock the boat – 35 people died.
- Canoe deaths, Lyme Regis – Employee had warned MD by letter of safety concerns. Nothing was done. 4 children died & MD was sentenced to 2 years for corporate manslaughter.
- Robert Maxwell Pensions – union official & trustee of pension fund had raised concerns about use of money. Worker was sacked.
- Mid Staffordshire NHS Foundation Trust
- See website of Public Concern at Work (www.pcaw.org.uk) for more examples.

4.2 The Law

There is statutory employment protection for workers who raise concerns in good faith, provided by the Public Interest Disclosure Act 1998. If a worker is disadvantaged as a result of raising concerns (eg dismissal or demotion), the worker may complain to an Employment Tribunal and the employer may be ordered to pay compensation as a result. This right is available to all employees, including temporary staff. There is currently no statutory limit on the amount of compensation payable.

5. Culture

It is important to encourage a culture of openness within the Council, so that workers feel that they can raise concerns safely. It must be recognised that some workers may not be inclined to raise concerns with their line managers, so an alternative line of communication must be provided both within and outside their departments. Workers are more likely to be able to tell you of their concerns if there is an organisational culture of openness. Lead by example, make communication the culture and encourage staff to discuss their concerns.

Employees/Managers who victimise those who raise concerns or who raise concerns maliciously should be aware that these are disciplinary offences.

6. Confidentiality

The best culture is where an employee who has a whistleblowing concern feels it is safe and acceptable to raise the concern openly. This openness makes it easier for the organisation to assess the issues, to work out how to investigate the matters, to get more information and avoid the risk of a sense of mistrust or paranoia developing.

While openness is the ideal, in practice many workers will feel anxious about identifying themselves at the outset and will want you to keep their identity confidential. This should be respected and confidentiality observed if requested.

However it is important to be realistic with the worker, and explain that in some circumstances, you may have to reveal their identity if required by law, or if their evidence is required in disciplinary or criminal proceedings.

The Freedom of Information Act 2000 and the Data Protection Act 1998 both give people access to information held by public bodies subject to exceptions. Both Acts have exceptions or exemptions allowing public bodies to withhold information relating to the identity of individuals. The Council's decision in such matters is not final, however, and it is possible that the Information Commissioner or Information Tribunal could order the disclosure of information which does not itself reveal the identity of a whistleblower but could be used with other information in the possession of a third party to deduce the identity of the whistleblower.

You should make it clear to the worker that even though the worker's name will not be mentioned you cannot guarantee that others will not try to deduce, correctly or otherwise, their identity. This is another reason why open whistleblowing is sometimes the best approach.

If you give an assurance of confidentiality you should honour it unless the worker or the law releases you from it. However assure the worker that you will contact them again if you need to reveal their identity, e.g. Can I give your identity to 'x' in Internal Audit who will be investigating the issue?

Of course, you may need to disclose the information that the worker gives you to a third party in order to investigate the matter and you need to make this clear to the worker.

Sometimes workers will be concerned that it is obvious that it is they who have raised the concerns. Explore this issue with them. Sometimes it may be easier for them to be open and say 'Yes, I raised it because I think it was wrong'.

Be sure to protect the worker from reprisals in this situation. It may be necessary to make temporary moves while a matter is under investigation. You should think carefully how to address this to protect the informant without effectively victimising them for revealing the problem.

Concerns that are raised anonymously (ie you don't know who is raising the concern) carry less weight. You should seek the advice of the Head of Legal and Democratic Services if you receive anonymous concerns.

7. Training/Awareness Raising

The importance of raising the awareness of staff to the procedure cannot be overstated. Staff need to know that the Whistleblowing Policy exists and that there is a safe line of communication for raising concerns internally. Managers need to be open to concerns and to know how to react if the whistle is blown.

All managers are therefore responsible for familiarising themselves with this Briefing Note, the Policy and for providing cascade training to all persons within their teams who have supervisory responsibilities. A brief Powerpoint presentation is available from the Head of Legal and Democratic Services to assist with this.

The Council's Corporate Governance Committee is responsible for overseeing the Council's Whistleblowing regime and it has recommended that awareness of the Policy is raised and monitored on a regular basis. This will be achieved via the training referred to above and surveys of staff and manager awareness. The Policy will be available on the intranet and external website. This guidance note will be available on the intranet

8. What should I do if the whistle is blown?

Follow the Action Plan:

- a. Thank the worker for raising their concerns with you, and assure them that you will look into it.
- b. Be realistic with the worker. You may not be able to resolve all their issues, but you will deal with them expeditiously and fairly. Assure them they do not need to prove their allegations, but you will need to know what grounds they have for believing that wrongdoing has happened. You can use the report form appended to the Policy as a way of recording and eliciting this information.
- c. Treat the worker as a witness, not a complainant.
- d. Offer anonymity if the worker requests it (see paragraph 6 above), but explain the parameters of this.
- e. Once you have had a concern reported to you, you must (in accordance with paragraph 8.2 of the Policy) in turn report the concern to the Monitoring Officer (Head of Legal and Democratic Services) within three working days.
- f. The Monitoring Officer will liaise with the Head of Internal Audit to consider the most appropriate method of investigating the concern.
- g. Take any urgent action before the investigation starts.
- h. Keep the worker informed. Within 10 working days of a concern being raised, you must write to the worker acknowledging their concerns, indicate how it is proposed to deal with the matter, estimate how long it will take to provide a final response, tell them what initial enquiries have been made, supply information on staff support (if necessary), and tell them what further investigations will take place, and if not, why not.
- i. If the matter has been determined by the Monitoring Officer and Head of Internal Audit to be one that is suitable for investigation by the management of your Department, undertake the investigation yourself or refer it to your line manager if appropriate (depending upon the terms of any confidentiality you have agreed to).
- j. Advise the worker of the outcome of the matter, when concluded (subject to any legal constraints).
- k. Take any steps necessary to protect the worker from reprisals.
- l. You must ensure that the outcomes of the investigation are reported to the Monitoring Officer.

9. Reviews

The Head of Legal and Democratic Services/Monitoring Officer is responsible for monitoring the use and effectiveness of the whistleblowing policy. If a worker raises concerns with you, you must advise the Head of Legal and Democratic Services who keeps a record of concerns raised and the outcomes (in an anonymous manner). This record is reviewed periodically to assess whether the policy works effectively and whether further action is needed to raise awareness amongst staff. The Head of Legal and Democratic Services also reports annually to the Corporate Governance Committee on the operation of the Policy.

10. Contacts & Advice

For further information/advice on whistleblowing, please contact:

Gary Williams, Head of Legal and Democratic Services/Monitoring Officer Tel: 01824 712562

Lisa Jones, Deputy Monitoring Officer Tel: 01824 706275

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Report To: Corporate Governance Committee
Date of Meeting: 10 April 2013
Lead Officer: Alan Smith, Head of Business Planning & Performance
Report Author: Tony Ward, Corporate Improvement Team Manager
Title: Corporate Self-Assessment 2013

1. What is the report about?

1.1 This report presents the council's annual Corporate Self-Assessment for 2013.

2. What is the reason for making this report?

2.1 The report is for information and no decision is required. However, the report will afford the Corporate Governance Committee an opportunity to discuss the latest Corporate Self-Assessment and to highlight any areas that require future monitoring by the committee.

3. What are the Recommendations?

3.1 That Members consider the Corporate Self-Assessment for 2013, attached at Appendix I, and discuss whether any further action by the committee is required.

4. Report details.

4.1 The council produces an annual self-assessment to support compliance with its statutory obligation to "make arrangements to secure continuous improvement", as required under the Local Government (Wales) Measure 2009.

4.2 Self-assessment helps us to understand our strengths and weaknesses in relation to our key processes, such as strategic planning; performance management; workforce planning; and financial management. The conclusion draws together the areas for improvement that have been identified in the assessment.

4.3 The document has been compiled based on the established style and questioning of previous Corporate Self-Assessments, having had input from relevant officers and using the most up-to-date information.

4.4 The plans for disseminating and communicating the Corporate Self-Assessment are as follows:

- Send to the Wales Audit Office (who will consider it as part of its Annual Improvement Report for the council).
- Circulate to the Corporate Governance Committee, for information.

- Circulate to the Performance Scrutiny Committee, for information.
- Publish on the council website, alongside our Annual Performance Report and the Wales Audit Office Annual Improvement Letter.
- Publish on the intranet.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 The Corporate Self-Assessment is an opportunity for the council to take an inward look at itself to identify any weaknesses in its key processes and to consider how things may be done more efficiently and effectively. This supports our commitment to 'modernising the council to deliver efficiencies and improve services for our customers'.

6. What will it cost and how will it affect other services?

- 6.1 There are no cost implications as a result of this report.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

- 7.1 The Corporate Self-Assessment itself does not propose any changes that require an Equality Impact Assessment. However, services should consider an EqIA of any changes that may be introduced to address the highlighted areas for improvement contained within the document.

8. What consultations have been carried out with Scrutiny and others?

- 8.1 Input to the Corporate Self-Assessment has been given by the Senior Leadership Team (SLT) and other relevant officers, including Internal Audit. The report was also presented to the Corporate Executive Team at its meeting on February 18, and SLT on 21 February, and any comments/suggestions were subsequently incorporated into the document.

9. Chief Finance Officer Statement

- 9.1 Not required.

10. What risks are there and is there anything we can do to reduce them?

- 10.1 There are no new risks arising as a result of this report. However, the report does highlight a number of issues for the council to manage, i.e. current weaknesses where further action is required.

11. Power to make the Decision

- 11.1 No decision required.

Denbighshire County Council Corporate Self-Assessment

February 2013

Version: 2.1
Date Modified: 14.02.13
Document Controller: Iolo McGregor, Corporate Improvement Officer
Status: Draft
Review Date: 31.01.14

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1. Introduction

The council produces this annual self-assessment document to support compliance with our statutory obligation to make arrangements to secure continuous improvement (as required under the Local Government (Wales) Measure 2009).

This self-assessment helps us to understand our strengths and weaknesses in relation to our key processes, such as strategic planning, performance management, workforce planning and financial management.

It is important to note that this document is not the only source of self-assessment undertaken by the council. For example, our Annual Social Services Report also includes a self-assessment of similar processes as they apply to social services in Denbighshire. We produced a comprehensive self-assessment to support the recent Estyn inspection of our education services, and this document also covered corporate processes to support improvements in education. Each of our services also produces a bi-annual self-assessment, and many of these are relevant to areas covered within this corporate self-assessment, for example, Finance & Assets; Strategic HR; Business Planning & Performance.

Our previous Corporate-Self Assessment highlighted the need to improve the way we undertake and coordinate self-assessment across the council. We acknowledge that this is still the case, and it will remain an action within our Business Planning & Performance Service Plan. Although we try to ensure consistency, there are difficulties in aligning large scale self-assessments such as Estyn or CSSIW with the Corporate Self-Assessment, simply because their subjects and timetables are different. It is hoped that the Wales Audit Office review of self-assessment will provide learning points for a more consistent approach.

2. Supporting Our Corporate Priorities

Statement

The council is confident that the process for developing its new corporate priorities for 2012-17 was robust and inclusive, and that it has systems in place to support their delivery and to ensure that they are reviewed annually.

Strengths

- ✓ The work to develop our new corporate priorities has been extensive and robust. A significant amount of research, analysis and engagement work was undertaken with all stakeholders. We also addressed a previous weakness by improving our engagement with young people. We are confident that the priorities that emerged from this work are relevant.
- ✓ Our corporate priorities will be reviewed annually to ensure that they remain relevant. We also plan to allow residents and our partners an opportunity to comment on the continuation of our priorities before the development of the 2014/15 annual Corporate Plan Delivery Document (and for subsequent years).

Areas for improvement

- Although work is progressing well to develop the technical detail of delivering and monitoring the Corporate Plan, there is still work needed to better understand the two new programmes around 'developing the local economy' and 'modernising the council to deliver efficiencies and improve services for our customers'. Two new programme managers are now in post to help develop these.
 - Self-assessment is a key element of strategic planning, and we need to make further improvements to the way we undertake self-assessment, including doing more to coordinate our Annual Governance Statement, and the self-assessments undertaken for the WAO, CSSIW and Estyn.
-

Assessment

The council has now developed its new Corporate Plan 2012-17, which was unanimously agreed by full council in October 2012. The decision was

made to wait until the autumn to agree the new Plan to ensure that our newly elected members were involved in its development. This was important for securing commitment to the Plan, which is crucial to its successful

delivery. Meanwhile, we continued to work to ensure that any outstanding activities from the Corporate Plan 2009-12 were delivered through our Service Plans for 2012-13.

The process for developing the new corporate priorities was substantial and robust. We first consulted with members of the public (including young people, student and youth councils) back in October - December 2011. Utilising their feedback and information (e.g. population statistics, performance data, engagement activity, etc.) we ensured that the new priorities were selected based on strong evidence of need. This information was presented to officers and elected members through numerous workshops held from November 2011, all the way up until the final workshop held with newly elected members and the Senior Leadership Team in July 2012. The public were again consulted on our emerging themes, shaping our final plan as it is today. We are confident that these are the right priorities for 2012-17.

A great deal of work has already gone into developing the technical guidance for measuring and monitoring five of our seven corporate priorities and the detail around delivery. Further work is now required to shape the two remaining, larger programmes for 'developing the local economy' and 'modernising the council to deliver

efficiencies and improve services for our customers'. Two new programme managers have now been appointed to manage these.

Each year we produce an Annual Performance Review, published in October. Following our review of performance against our Corporate Plan, we will invite residents and our partners to provide us with feedback on our priorities. This will then help us to develop the annual Corporate Plan Delivery Document, which details what we expect to do during each financial year.

It is acknowledged that we need to do more to coordinate the self-assessments undertaken for the WAO, CSSIW and Estyn. Furthermore, the WAO noted in its January 2012 Annual Improvement Report that, "The Council, in common with other authorities in Wales, should use its annual review of governance arrangements to provide a more robust self-assessment of their effectiveness." It is hoped that the Wales Audit Office review of self-assessment will provide some learning points to help us better develop a more consistent approach, as this is currently something that we are struggling with, owing to the different focus of these varying self-assessments and the timetables involved. This continues as an improvement activity within the Business Planning & Performance Service Plan.

3. Financial Management & Efficiency Programme

Statement

The council is confident that its financial management arrangements support priorities and ensure financial health, although a more strategic approach to the efficiency programme will be required for the difficult years ahead.

Strengths

- ✓ Co-ordinated internal and external audit reviews provide assurance that financial management is sound.
- ✓ Financial planning is becoming more integrated with business planning and performance management. This is a particular strength of the new Corporate Plan 2012-17, which sets out an ambitious but achievable programme of investment in our priorities.
- ✓ The efficiency programme has been successful to date, enabling us to identify approximately £13 million of savings in 2011-14 without any significant impact on frontline services.
- ✓ Members feel engaged with the budget setting process.

Areas for improvement

- A more coordinated and strategic approach is required to improve the effectiveness of individual funding streams.
- A more strategic approach to identifying savings will be required as they become increasingly difficult to achieve without having an impact on our communities.
- Savings to be made through procurement.

Assessment

We are confident that our financial management arrangements are resilient, and have been strengthened since the restructure of Finance and the development of our medium-term

financial plan. The WAO again gave an unqualified audit opinion on the council's latest statement of accounts, and has highlighted our financial planning methods as good practice to other councils. The devolution of financial management to schools was

praised in the recent Estyn inspection report.

Members have commented on how engaged and involved they feel in the budget setting process. This was also evident when we considered how we would pay for our corporate priorities. We think that we are leading the way in the UK by having a Corporate Plan that sets out an ambitious but achievable programme of investment in our priorities over the next five years. This has demonstrated the council's command of its finances, and the desire of Councillors to match their ambitions with the additional investment required to deliver real change for the communities of Denbighshire.

Finance has been a fundamental part of the agendas for the Service Performance Challenges, where we routinely ask services about their contribution to the efficiency programme, both in terms of performance (achievements to date) and future plans.

One area for development is to improve the co-ordination of individual funding streams to make it easier for

officers to identify and access opportunities, and to ensure that those funds can be used more strategically. The Partnerships & Communities Manager is doing some early work on this in relation to The BIG Plan.

Although we are satisfied that the efficiency programme has been effective to date, there is little scope left for services to find savings without making difficult decisions about which areas to disinvest in. Financial management therefore needs to adapt, and we will need a more strategic approach to fulfil the requirement to identify further savings for 2015-16 and beyond.

There are still savings to be made through procurement, where a lack of resource and support has meant that this service has not moved far enough. The inter-relationship between finance and procurement officers has been revised to give the extra resource along with an additional procurement officer and structured training programme. There will be a greater focus on e-procurement, e-invoicing and Proactis in future.

4. Workforce Planning & Development

Statement

The council has made some improvements to workforce planning and the way it makes use of its staff to achieve improvement. However, it is recognised that more needs to be done to improve the flexibility of the workforce to enable the council to utilise its staff in the areas of greatest need.

Strengths

- ✓ Structures and processes are now in place for more effective workforce planning.
- ✓ Improving the flexibility of the workforce is an important element of our modernisation priority within the Corporate Plan 2012-17.

Areas for improvement

- To increase workforce flexibility and release capacity to help support improvement and deliver our Corporate Plan 2012-17.
 - Further work to embed improvements made to workforce planning processes.
 - Explore a quality assurance framework to ensure managers are complying with policies and procedures, and to identify any gaps in staff training.
-

Assessment

The Excellence Denbighshire event is designed to give wider recognition to the achievements of staff, any outstanding performance, and to acknowledge best practice. These events have been very successful to date, and we believe that they will help to foster a culture of pride amongst employees.

A Staff Survey was conducted in 2011, seeking perceptions of what it is like to

work for Denbighshire County Council and what could be improved. Action plans to address any identified issues have been reviewed by each service, producing a “You Said, We Did” document to evidence actions taken. The survey will be repeated in February 2013, which will enable us to assess the impact of those action plans.

One area where we would like to see improvement is in the flexibility of our workforce, so that this crucial resource

can be utilised more efficiently and effectively to support improvement. This now forms part of our Modern Council Programme. Outcome 2 of this programme is to achieve “A more flexible and effective workforce supported by cost efficient infrastructure”. The three themes driving this outcome are “Service Modernisation”, “Flexible working” and “Future workspaces”. The success of this is dependent on a coordinated approach to our ICT, office accommodation and workforce strategies. Six “working styles” have been identified in relation to how staff will work across the authority. This determines the ICT solutions required to enable staff to be more mobile and flexible about where and when they are able to work. At the same time a project is being scoped to determine how we can redeploy staff more easily to those areas where their skills are required.

A recent Internal Audit Report on Strategic HR, which included workforce planning, identified a number of processes in need of improvement. In particular, it was felt that there was no robust mechanism in place for business continuity and succession planning, the council being unable to determine accurately the future number of employees required within the Council, and having no way of identifying staff shortages and competency gaps. However, arrangements are now in place to support an annual Workforce Planning exercise with Services. The HR Business Partners undertook this work in October 2012, focussing on staff composition and numbers, absence,

skills sets and development, recruitment, retention, succession planning, working patterns and locations, as well as staff survey action plans. There was also an evaluation of the benefits of the previous workforce planning activity. Services reviewed their workforce plans to align them to the corporate priorities, identifying success factors and key themes that were fed into the HR Strategy Action Plan.

The Internal Audit Report also identified the need for the council to improve its approach to staff training, and in particular of managers to ensure that they are complying with their responsibilities in respect of relevant policies and procedures. This was felt to be especially true of recruitment and redeployment. Power hours have been introduced to address the deficit in training, and a new recruitment framework has been developed, which stipulates that at least one member of a recruitment panel has to have received recruitment training.

The council recognises that improvements can be made to enhance its approach to workforce planning & development, and in August 2012 a Systems Thinking exercise of Strategic HR was carried out, which identified 18 key processes that could be improved. The Internal Audit Report was discussed in the Strategic HR Service Performance Challenge, and a further piece of work by the service has determined its activities and workload, together with their prioritisation.

5. Risk Management

Statement

The council is confident that it has the processes in place to manage risk effectively.

Strengths

- ✓ Following our review of strategic risk management in 2011, we created an appropriate separation of duties regarding the coordination of risk management and auditing the system to ensure it is robust.
- ✓ The new risk methodology has, usefully, led to the removal of issues from the risks register, which has made the risk register more relevant and manageable.
- ✓ The distinction drawn between inherent and residual risks makes it easier to test the effectiveness of existing controls and to identify mitigating actions.

Areas for improvement

- Greater integration of Service Risk and Project Risk, possibly through the use of the project management software, Verto.
- During the first formal review of the Corporate Risk Register with CET, it became clear that there wasn't enough time to review the entire content of the register in one meeting. Therefore, we will now hold meetings with individual members of CET to consider the risks within their portfolios in greater detail prior to a full group discussion with CET.
- Constant review is required to ensure that the new risk methodology is fully embedded and understood by all relevant officers and Members. Although training has been provided for the new Council, attendance by members was poor. Further training may therefore be required, for example, the Corporate Improvement Team Manager is to deliver risk refresher training at the start of the Performance Scrutiny Committee meeting on 21st February 2013 as the Corporate Risk Register is an agenda item for that meeting.

Assessment

Following the risk review, we have adopted a new approach to risk management. This approach draws a

clear distinction between a risk (something that might happen) and an issue (something that has already happened and is being managed). As a result, our corporate and service risk

registers are clearer, more concise, and more relevant as management tools. We now include mitigating actions from the Corporate Risk Register in Service Plans to ensure that risk management is genuinely integrated into our business planning process. The separation of the Internal Audit function from the management of risk in the council has also allowed for a more independent assessment of how effective risk management is. An Internal Audit review of the process is taking place during February 2013, and any recommendations arising from that will be considered and implemented as appropriate.

We now draw distinctions between inherent and residual (i.e. current) risk levels. The introduction of inherent risk has enabled the council to be confident that it has full coverage of all the major areas of risk. Previously, when we only considered residual risk, it was easier to ignore many large inherent risks if officers felt that those risks were being well managed.

We are confident that this new approach significantly improves our ability to manage risk effectively. However, more work is needed to integrate this approach with the management of risk for projects. It is hoped that the newly acquired software for project management, Verto, can help with this.

It is also felt that the approach for updating the Corporate Risk Register can be improved upon. Our experience from the first formal review (following

the Service Challenges in June/July 2012) showed that this can be a time consuming process, and that it was too ambitious to attempt to achieve this in a single group session with CET. We have amended our approach and, for the current review of the Corporate Risk Register, we are holding individual meetings with individual members of CET to consider the risks within their portfolios in greater detail prior to a full group discussion with CET. It is agreed that this approach works better as it allows for the detail of the Register to be considered more thoroughly.

Risk Management training has been provided to elected members (before and after the elections in May 2012), but it was found that attendance on the whole was poor. As a consequence more focussed sessions were held with members of the Cabinet and Performance Scrutiny, as it is important that these groups in particular understand the process. There will be a constant review of training requirements for members, providing further opportunities as needed. For example, the Corporate Improvement Team Manager is to deliver risk refresher training at the start of the Performance Scrutiny Committee meeting on 21st February 2013 as the Corporate Risk Register is an agenda item for that meeting. This is also true of officers as responsibilities change through the recent restructures. The Corporate Improvement Team will continue to provide this support as required.

6. Responding to the External Environment

Statement

The council has processes to identify opportunities and ensure that it manages threats from the external environment.

Strengths

- ✓ The council has a robust risk management process in place that looks at external risks at the same time as internal risks are considered.
- ✓ A great deal of analysis of the external environment has been undertaken as part of the process of developing our new Corporate Plan 2012-17.
- ✓ We are involved in, and lead on, a number of regional and sub-regional collaboration projects, and have developed proper governance arrangements for our collaboration activity.

Areas for improvement

- The council is strengthening its research and intelligence functions to be more proactive in the way in which it considers the external environment, using comparative information and data to better help support decision making and strategic planning.
-

Assessment

A comprehensive analysis of the external environment has been undertaken as part of the process of developing our new Corporate Plan, utilising information and intelligence to ensure that our new corporate priorities are based on strong evidence of need, as we have also done with The BIG Plan previously.

We have a strong system for risk management in place (see section 5), which considers external risk factors as well as internal concerns. These are reviewed twice a year through the Service Performance Challenge

Programme, and any significant risks are escalated to the Corporate Risk Register to give it greater prominence within the authority.

In terms of collaborations that we are engaged in (which are covered in greater detail in section 8), we are confident that effective management and communication procedures are in place to alert us to any emerging opportunities or threats from the external environment. We have developed a governance toolkit and partnership register which outline clear arrangements for monitoring our collaboration activity.

The council maintains strong working relationships with our external partners, including the joint Conwy & Denbighshire LSB, and actively engages with stakeholders and local communities, utilising such mechanisms as the Member Area Groups or Residents Survey for example (see section 10 for more detail on consultation & engagement).

We ensure that there is a constant dialogue with the Wales Audit Office and respond to their suggestions for good practice. Our Directors, Senior Leadership Team and managers meet regularly with counterparts from other authorities and agencies to share best practice, including regional and sub-regional bodies, such as the Regional Leadership Board. As part of our Modernisation Programme, the 'Hwb'

have also recently undertaken 'organisational raids' of other local authorities to look at different ways of doing things. The council also continues to be an active member of the WLGA and professional groups, such as APSE.

The council recognised that it needed to develop a more consistent approach to the use of information to support strategic planning and decision making, and as result there is now a new information and research element within the Corporate Improvement Team. It is hoped that through this organisation of information, including benchmarking comparative data, we will be better able to respond to the external environment, and identify opportunities and threats more easily.

7. Performance Management

Statement

The council is confident that it manages performance effectively, although some further work is required to fully embed the recent changes and improvements to our Performance Management Framework.

Strengths

- ✓ The Performance Scrutiny Committee is now well established in its role; as is the Service Performance Challenge programme, which was amended in 2012 to improve its effectiveness.
- ✓ Quarterly Performance Reports to Cabinet and Performance Scrutiny have been revised to cover all major sources of performance information. This reduces fragmentation and potential duplication in performance reporting.
- ✓ We now use Excellence Thresholds and Intervention levels to help us better understand performance in its context. This approach, which we believe to be sector-leading, enables a much more sophisticated level of discussion about performance than was possible previously.

Areas for improvement

- Some further work needs to be done to roll out the new Excellence Threshold and Intervention approach to all Service Plans.
 - The Service Performance Challenge Programme is currently being reviewed to ensure it remains relevant and effective.
 - Further work is required to ensure consistency in the role of Performance Scrutiny Link Members.
 - Consistency in terms of performance management roles within services.
-

Assessment

The council has recently introduced Excellence Thresholds and Intervention levels into its performance management framework. They allow the council to understand how good the current position is, rather than

simply telling us whether we managed to meet a particular "target". To help us with this we have now adopted a four-"RAG" (Red, Orange, Yellow, Green) approach to performance reporting. The Corporate Improvement Team will continue to manage this change to ensure that it becomes

embedded and understood by officers and members. By the end of this financial year, all Service Plans will be established using the new Excellence Threshold and Intervention approach. The performance management framework for our new Corporate Plan is currently being established on this basis.

Quarterly Performance Reports to Cabinet and Performance Scrutiny have been amended to bring together all key strands of performance information, e.g. Corporate Plan; Corporate Project Register; and our Outcome Agreement. This approach reduces fragmentation and potential duplication in performance reporting.

A recent Internal Audit report on Performance Management highlighted that the Quick Guide to Service Planning was not user-friendly. It was also felt that the Performance Management Framework did not fully explain the 'intervention' procedure for poor performance. The document has since been reviewed to address those issues.

The Performance Scrutiny Committee, which is attended by the Corporate Improvement Team Manager, is working effectively. Members of Performance Scrutiny are aligned to individual services to help develop specialist knowledge and to ensure that any issues can be shared with the committee. Performance Management training has also been provided to this group and to Cabinet to support them in their roles. However, it is felt that some further work is needed to ensure that all Performance Link Members understand their role.

There is no corporate monitoring and reporting of performance for the Business Transformation & ICT team following the recent SLT restructure. However, given the importance of this team in delivering key areas within the new Corporate Plan, ICT will automatically form part of the Corporate Plan monitoring. This will be done through Ffynnon, and ICT will need to provide performance updates along with other services.

Service Performance Challenges are now well established, and we have made amendments to the process to improve their effectiveness. Each meeting now has a bespoke agenda based on actual issues, which means that all the meetings are more focussed and relevant. However, the process around monitoring actions arising from the meetings was not always clear. Therefore, during the most recent round, efforts have been made to include timescales for delivery and specific accountability. The Service Performance Challenge Programme is currently being reviewed by Corporate Directors to ensure it remains effective.

Finally, the Internal Audit report raised a concern with regard to the consistency of performance management across services, specifically where some services have dedicated performance managers carrying out a quality control role, while others act only as coordinators of data. The Head of Internal Audit will be taking this forward when he meets with Heads of Service to discuss the Internal Audit assurance work for 2013-14.

8. Partnerships & Collaboration

Statement

The council is taking advantage of opportunities for inter-departmental, collaborative and partnership working, and building on its experiences. However, the partnership agenda is challenging, and will demand a lot of continued attention in years ahead.

Strengths

- ✓ Corporate Directors now have clear portfolios based on Corporate Priorities and major areas of work rather than being responsible for particular operational service areas.
- ✓ The Council is recognised as a leader in terms of developing the partnership agenda, with a joint Local Service Board and its integrated strategic partnership plan (The BIG Plan).
- ✓ We have developed a Partnership Governance Framework and Partnership Register which outlines clear arrangements for the management and coordination of our collaboration activity.

Areas for improvement

- The configuration of Denbighshire’s strategic partnerships is not yet right, and requires further work.
 - To develop an understanding of how to successfully scrutinise the performance of regional service delivery from a Denbighshire perspective.
 - Although already implemented, further work is needed to ensure that the Partnership Governance Framework becomes a properly embedded system.
-

Assessment

Internally, our Corporate Directors now have portfolios that are less operational in nature and are more aligned to corporate priorities. The corporate portfolio approach lays the foundation for facilitating increased inter-departmental working. Both the

Corporate Executive Team and the Senior Leadership Team have become more strategic, which is enabling the council to identify cross-cutting opportunities. Our outcome-based approach to strategic planning is also conducive to this, as it is often the case that more than one service contributes to a single outcome.

The council is a lead player in driving the partnership agenda. For example, Denbighshire and Conwy's Local Service Boards have now been joined together. We have been sector leading in the way that we have merged our Community Strategy, Children and Young People's Plan, Community Safety Plan, and Health, Social Care and Well-Being Strategy into a single integrated strategy (The BIG Plan). However, the partnership agenda is extremely challenging and, although progress has been made, it is proving more difficult than anticipated.

Denbighshire, in conjunction with Conwy County Borough Council, has decided not to continue with two of its larger joint-service collaborations, namely Planning & Public Protection, and Highways & Infrastructure. It was found that the resources required for collaboration in these areas were not proportionate to the benefits. To continue would have done so at a cost to the rate-payer. Although we were committed to both of these large collaborations, we always approached them from a position of caution, and said from the onset that we would not continue should the expected savings failed to be realised, or if the quality of customer-service was put at risk. In both cases the executive on both sides agreed to withdraw.

However, this does not undermine our commitment to the collaboration agenda, as can be demonstrated by the fact that we are involved in, and lead on, a number of regional collaboration projects. For example,

we are involved in the North Wales Procurement Partnership, which delivered in excess of £250,000 in savings during 2011-12 alone. Also worth mentioning is the successful delivery of the Regional Food Waste project by Denbighshire on behalf of five other North Wales Authorities. The council continues to be committed to The Compact and are actively working towards it. The Senior Leadership Team have identified and agreed clear roles and responsibilities for its delivery.

To manage collaboration we have developed political tools, such as a dedicated Partnerships Scrutiny, and joint scrutiny procedures with Conwy County Borough Council. However, we need to develop an understanding of how to successfully scrutinise the performance of regional service delivery from a Denbighshire perspective. This will be a challenge for all local authorities as more services explore the potential for regional delivery. The new joint Scrutiny powers afforded by the Local Government (Wales) Measure and subsequent WG guidance will help in this regard. This has recently been out for consultation and should be available soon.

We have also developed a Partnership Governance Framework and Toolkit, through which partnerships can be planned and monitored. This also includes a Partnership Register which highlights our current partnership activity. More work will be needed to ensure these tools become properly embedded.

9. Programme & Project Management

Statement

The council has improved its management of programmes and projects following a full review of the project management methodology, its completion of PRINCE2 training, and the procurement of a project management system. Continued work is required to fully embed each of these components into the council's culture.

Strengths

- ✓ A corporate Project Register is now operating successfully.
- ✓ The corporate approach to Programme and Project Management has been developed and works well.
- ✓ The procurement of a new Project Management system that will be used across the council, giving project and programmes greater visibility.
- ✓ A register of over 100 trained project managers across all areas of the Council, qualified to at least PRINCE2 Foundation Level.
- ✓ The recent implementation of a Stage Review process will assist the council in enhancing the quality of the Business Case and subsequent projects, enabling greater benefit realisation.

Areas for improvement

- Newly trained project managers will lack experience of applying their new skills. Through workforce planning, use of the project manager register, and the implementation of a Stage Review process, project managers who have recently acquired their PRINCE2 qualification will gain greater experience in project delivery.
 - A process for the strategic allocation of resources to project management.
-

Assessment

Following a review, it was identified that the previous project management methodology was not consistently applied across the organisation. As a

result the council has reviewed the methodology to align more directly with PRINCE2 (Project IN a Controlled Environment; the Cabinet Office Government standard for Project Management). During the review, a

project management system was identified, which had been developed for use in the Public Sector. Verto was purchased and has been implemented. The templates previously defined have been transferred to the new system as web forms. This will result in a consistent approach, which is rigorous and flexible, allowing for overall improved delivery in quality, cost, time and scope of projects across the council.

To build capability across the organisation, 105 Project Managers have been trained to Foundation or Practitioner level in PRINCE 2 to complement the adoption of the PRINCE 2 methodology. The training is also being delivered to Project Executives (senior management) to ensure clarity and effectiveness in roles and responsibilities in the Project Management process. Training has also been delivered to members of the Council.

The council is developing a process for the strategic allocation of resources to project management. A risk with the current business model (where our project management team relies on income from project management) is that fee-earning capital projects can take priority over important corporate improvement projects, as the fees are required to fund the salaries of our corporate project managers. With the

completed training, some services may decide to manage projects themselves, therefore enabling project managers to gain the experience following their qualification.

A corporate approach to Programme Management has been developed, where a system is set up to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation's strategic objectives. We remain committed to this mechanism of delivering cross-cutting activities within the authority. The Programme Board structure has been reviewed to support the new corporate priorities detailed in our Corporate Plan for 2012-17, and key lessons learnt from our experiences to date will inform the future delivery of Programme Management across the authority. Two new strategic programme boards have been established: 'A Modern Council'; and 'Economic and Community Ambition'. A third programme board is also being developed to support the 'Modernising Education and 21st Century Schools' theme. There is already a board in place for Modernising Social Services, which will be relevant to our priority to ensure that vulnerable people are protected and are able to live as independently as possible.

10. Scrutiny & Challenge

Statement

The council is confident that its' Scrutiny and Challenge processes are robust, although the function needs to be promoted among our stakeholders, and further training opportunities provided to members.

Strengths

- ✓ Scrutiny committees have been reorganised around key themes to enable a more corporate approach, and have shown their strength through the successful delivery of working group objectives.
- ✓ Service Performance Challenges are now fully embedded in our performance management framework, and have been refined to improve their focus.

Areas for improvement

- The Scrutiny training programme for new members was not well attended. Additional training will be required once the powers afforded by the Local Government (Wales) Measure 2011 have all been commenced.
 - Actions identified as part of our self-assessment for the All Wales Scrutiny Improvement Study will need to be carried forward. These include our communication with auditors, regulators and inspectors, and the promotion of the Scrutiny function to internal and external stakeholders.
-

Assessment

Denbighshire's Scrutiny committees are based around the themes of Performance; Partnerships, and Communities, the council having moved away from directorate based committees in May 2011. Although the Scrutiny structure is only approaching the end of its second year, signs of improvement are evident.

The Performance Scrutiny Committee has appointed Performance Link Members for each service area following the May 2012 elections. This

enables those members to develop knowledge and expertise, and to bring areas of concern to the attention of the Committee. These Performance Scrutiny Link Members are also part of the Challenge for their designated services.

The Service Performance Challenges are now an embedded, twice-yearly event. Bespoke agendas are created for each service in an effort to make sure they add value and deliver knowledge that isn't provided in any other challenge arena. New members have now attended two rounds of the

programme, and have enjoyed the opportunity to meet with the Head of Service and relevant officers to challenge any shortcomings and examine matters in detail. Although these have proved to be very useful, they are continually reviewed and improvements are made as necessary. Having finished the second round of the programme, Corporate Directors are again reviewing their effectiveness.

The Performance Scrutiny Committee has also established a Focus Group that will meet on a regular basis with the Corporate Improvement Team Manager and the Head of Internal Audit to examine in detail performance data ahead of its submission to the Committee. Performance Link Members are also copied into Internal Audit reports that relate to their specific service area.

Since the 2012 elections, Communities and Partnerships Scrutiny Committees have established a number of working groups, e.g. the Bus Service Reductions Working Group; and the Highway Grass Verge Cutting Contract Working Group. The Healthcare in North Wales is Changing Working Group examined in detail the Health Board's proposals to change health service delivery mechanisms across North Wales. This Group, which received evidence from expert witnesses, compiled the basis of the Council's response to the BCUHB's consultation on the proposals. Following the publication of the BCUHB's final proposals with respect to this review this Working Group will reconvene to present their conclusions for Council's consideration.

With regards to training, all members of Scrutiny have been offered access to scrutiny overview, questioning and chairing skills courses. However, although these sessions were felt to be engaging and valuable by those who attended, they were on the whole poorly attended, some sessions being cancelled due to a lack of interest. Members have also been offered a networking opportunity to share information, training and best practice on scrutiny through the North Wales regional training event for elected members. Going forward, once the powers afforded to Scrutiny by the Local Government (Wales) Measure 2011 have all been commenced, training will be required on the new provisions.

In our recent self-assessment as part of the All Wales Scrutiny Improvement Study conducted by the WAO, we highlighted a number of areas as being in need of improvement. There is a need for regular and effective two-way communication between Scrutiny and external / internal auditors, regulators and inspectors, which will help in the planning of improvement activity. Scrutiny chairs and executive members' must be proactive in promoting the role and value of the Scrutiny function to internal and external stakeholders, including engagement over planning and conducting scrutiny's work. Above all Scrutiny must ensure that the 'voice' of local people and communities across the area is heard as part of the local decision and policy-making process.

11. Consultation & Engagement

Statement

The council communicates effectively with its communities and stakeholders, although more work is required in some areas to ensure our approach is inclusive and consistent.

Strengths

- ✓ Locality-based engagement mechanisms have been developed and strengthened.
- ✓ A robust and inclusive process of engagement with the community, particularly young people, as part of the development of our new corporate priorities.

Areas for improvement

- The Consultation & Engagement Strategy needs to become embedded in council service delivery.
 - The development of Customer Standards for Service Plans 2013-14.
 - Further work on Town Plans to include the needs of surrounding rural communities.
 - Further improvements in the way we engage with business groups.
 - Roll out of the Denbighshire Volunteering Strategy.
-

Assessment

The council endorses the national principles for public engagement in Wales. We have developed a Community Engagement Strategy to improve consistency in the way we undertake engagement activity. We also have an existing Corporate Communication Plan in place that is concerned with improving our use of the website, one-stop shops, and other information points. The council has

actively protected frontline services from funding cuts.

Denbighshire's Corporate Plan 2012-17 was the product of extensive and robust consultation and engagement activity (as highlighted in section 1). One of the corporate priorities that emerged from this work was 'modernising the council to deliver efficiencies and improve services for our customers'. We are very clear that the focus of this priority always

remains on the customer, and responsibility for developing this agenda has been assigned to the Corporate Director for Customers.

The six Member Area Groups have come a long way over the last year, now having a clear support structure with corporate leadership in place, and revised Terms of Reference. MAGs are now recognised as a strong mechanism for engaging with our local communities. A community Development Fund has been set up which will make use of 57 redundant trust funds that the council has not been utilising effectively in the past. Also the way in which services have engaged with participatory budgeting schemes in the county has been applauded as good practice.

The council is also actively working towards bringing services closer to the communities through the deployment of its staff, such as in Social, Regulatory and Youth services, and now in the emerging structure for the new Highways and Environmental services. We need to ensure that this approach is consistent throughout the authority. We are also introducing customer standards in our Service Plans, though further work is needed to develop these.

Considerable work has taken place to strengthen our relationship with Town & Community Councils through the introduction of the Charter, which formalises the role and responsibilities of each party. This has now been signed by 32 out of 37 councils.

The second Resident's Survey took place in the summer of 2011, and went

out to a random selection of 6,000 households in Denbighshire. The results have helped us to plan our activity based on community needs and perceptions. Our third Residents Survey will take place in 2013.

Town Plans have been agreed for all our main towns and these are currently being reviewed with the additional requirement to consider the needs of surrounding rural communities. It is hoped that in this way the Council's business planning can be brought closer to the communities.

The council continues to maintain a strong working relationship with the Denbighshire Voluntary Services Council, and there are now strong support arrangements in place for the Third Sector Liaison Group. The council also has clearer arrangements in place for liaising with the business community. However, the development of the local economy having been identified as a corporate priority for the authority, it is recognised that further improvements in the way we engage with business groups is needed.

Communications, Marketing & Leisure have developed a Denbighshire Volunteering Strategy, which will become a council wide strategy in the near future.

Finally, the way in which communities and the council pulled together during the floods that hit the county in late November 2012 must be acknowledged, council officers and volunteers working tirelessly to help communities recover. Flood Recovery Groups continue to meet regularly.

12. Conclusion

This Self-Assessment has been put together using the most current information available, including input from Corporate Directors, Heads of Service, and relevant officers from across the council. It highlights many strengths within the authority, showing that we have good systems in place to deliver services that benefit the customer. Most significantly it presents a picture of a council that is continually improving.

We are clear too about our weaknesses, and have identified a number of areas that require further improvement. These areas for improvement will be considered by services as part of the development of their Service Plans for 2013-14.

- In supporting our Corporate Priorities, the council still has considerable work to do in working out the detail for two of its larger priority programmes, namely 'developing the local economy' and 'modernising the council to deliver efficiencies and improve services for our customers'. The council also needs to consider its approach to Self-Assessment corporately, including doing more to coordinate our Annual Governance Statement, and the self-assessments undertaken for the WAO, CSSIW and Estyn.
- Financially, the council must consider a more coordinated and strategic approach to improve the effectiveness of individual funding streams, and to identifying savings. There are still further savings to be made through procurement.
- Workforce flexibility to support improvement is another area that has been identified as needing significant work. This will form part of the corporate priority for modernising the council. Further work is needed to embed improvements made to workforce planning processes, and to explore a quality assurance framework to ensure managers are complying with policies and procedures, identifying any gaps in staff training.
- In Risk Management, there is a need for greater integration of Service Risk and Project Risk. There also needs to be some consideration given to the amount of time required to update the Corporate Risk Register. Constant review is required to ensure that the new risk methodology is fully embedded and understood by all relevant officers and members, training being provided as required.
- The council must be more proactive in the way in which it considers the external environment, using comparative information and data to better help support decision making and strategic planning. Work is being done currently to strengthen its research and intelligence functions.

- In terms of Performance Management, further work needs to be done to roll out the new Excellence Threshold and Intervention approach to all Service Plans, the development of which should include Cabinet Lead Members and Performance Scrutiny Link Members. The Service Performance Challenge Programme needs to be reviewed to ensure it remains relevant and effective. And as recommended by the Internal Audit report, Head of Service should look at consistency in terms of performance management roles within services.
- The configuration of Denbighshire's strategic partnerships is not yet right, and requires further work. The council needs to develop an understanding of how to successfully scrutinise the performance of regional service delivery from a Denbighshire perspective. Further work is also needed to ensure that the Partnership Governance Framework becomes a properly embedded system.
- Newly trained project managers will lack experience of applying their new skills and should be given this opportunity to gain greater experience in project delivery. A process for the strategic allocation of resources to project management also needs to be developed.
- The Scrutiny training programme for new members was not well attended, and additional training will be required once the powers afforded by the Local Government (Wales) Measure 2011 have all been commenced. Actions identified as part of our self-assessment for the All Wales Scrutiny Improvement Study will also need to be carried forward. These include our communication with auditors, regulators and inspectors, and the promotion of the Scrutiny function to internal and external stakeholders.
- Finally, the council's Consultation & Engagement Strategy needs to become more firmly embedded in the delivery of services, as does the development of Customer Standards to be included in the Service Plans for 2013-14. There is further work to do on Town Plans to include the needs of surrounding rural communities. We must also consider the way we engage with our business groups; and further roll out the Denbighshire Volunteering Strategy.

The council will endeavour to address all of the issues identified in this document, and hope that you find the assessment provided both useful and relevant. If you require any further information about the Corporate Self-Assessment, please do not hesitate to contact the Corporate Improvement Team on 01824 70 6161, or through email: corporate.improvement@denbighshire.gov.uk

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Report To: Corporate Governance Committee

Date of Meeting: 10 April 2013

Report Author: Head of Internal Audit Services

Title: Corporate Governance Framework & Annual Governance Statement 2012/13

1. What is the report about?

This is a covering report for the presentation of the Council's Corporate Governance Framework, which contribute to the production of the Annual Governance Statement (AGS). The report also presents the Draft AGS for 2012/13.

2. What is the reason for making this report?

The Corporate Governance Committee recommends the adoption of the AGS each year as part of the Council's Statement of Accounts. The Council's Governance Group is consulting the Committee at an early stage to allow it more time to discuss and challenge the Framework and AGS.

The Chief Executive and Leader sign the final version of the AGS, which the Committee will approve in June 2013.

3. What are the Recommendations?

Committee considers the Corporate Governance Framework and Draft AGS 2012/3, challenging and recommending more work or improvements if it deems necessary.

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CYNGOR

Sir Ddinbych

Denbighshire

COUNTY COUNCIL

ANNUAL GOVERNANCE STATEMENT 2012-13

Why do we need an Annual Governance Statement?

- Denbighshire County Council is responsible for ensuring that it conducts its business in accordance with the law and proper standards, and that it safeguards and properly accounts for public money, using it economically, efficiently and effectively.
- In discharging this overall responsibility, we are responsible for putting in place proper arrangements for the governance of our affairs, operating effectively and managing risk. Good governance is essential to both the Council and the public. It supports the Council in making the right decisions, reduces the likelihood of things going wrong and protects it when problems do occur. It inspires confidence in the public that we are taking decisions for the right reasons, protecting service quality and spending public money wisely.
- We have a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This Annual Governance Statement explains how we have complied with the Code during 2012-13 and how we meet the requirements of the Accounts and Audit (Wales) Regulations 2005 in relation to the publication of a statement on internal control.

What is good governance?

- Good governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, at the right time, in an inclusive, open, honest and accountable way. It comprises our systems, processes, cultures and values, through which we account to, engage with and, where appropriate, lead our communities. It enables us to monitor whether those objectives have led to the delivery of appropriate, cost-effective services.
- The system of internal control is a significant part of that framework, designed to manage risk to a reasonable level. It is an on-going process to identify and prioritise the risks to achieving our priorities, policies, aims and objectives, to evaluate their likelihood and to manage them should they occur. However, the system of internal control cannot eliminate all risk and can only provide reasonable and not absolute assurance of effectiveness.
- Our governance framework has been in place and has been improved for the year ended 31 March 2013 and up to the date of the approval of the Statement of Accounts.
- Section 3 of this Annual Governance Statement provides an overview of our governance arrangements. We provide a detailed review in Appendix 1.

Summary of our governance assurance arrangements

Where do we need assurance?

- Delivery of corporate priorities
- Service performance and quality
- Financial planning and performance
- Partnership governance and effectiveness
- Project management and delivery
- Procurement processes
- Management and engagement of our staff
- Clarity of roles and responsibilities
- Decision making protocols
- Leadership effectiveness
- Standards of conduct and ethics
- Compliance with laws, regulations etc.
- Effectiveness of the scrutiny function
- Effectiveness of internal control
- Management of risks
- Training and development of elected members and staff
- Community engagement
- Openness and transparency

What do we have in place?

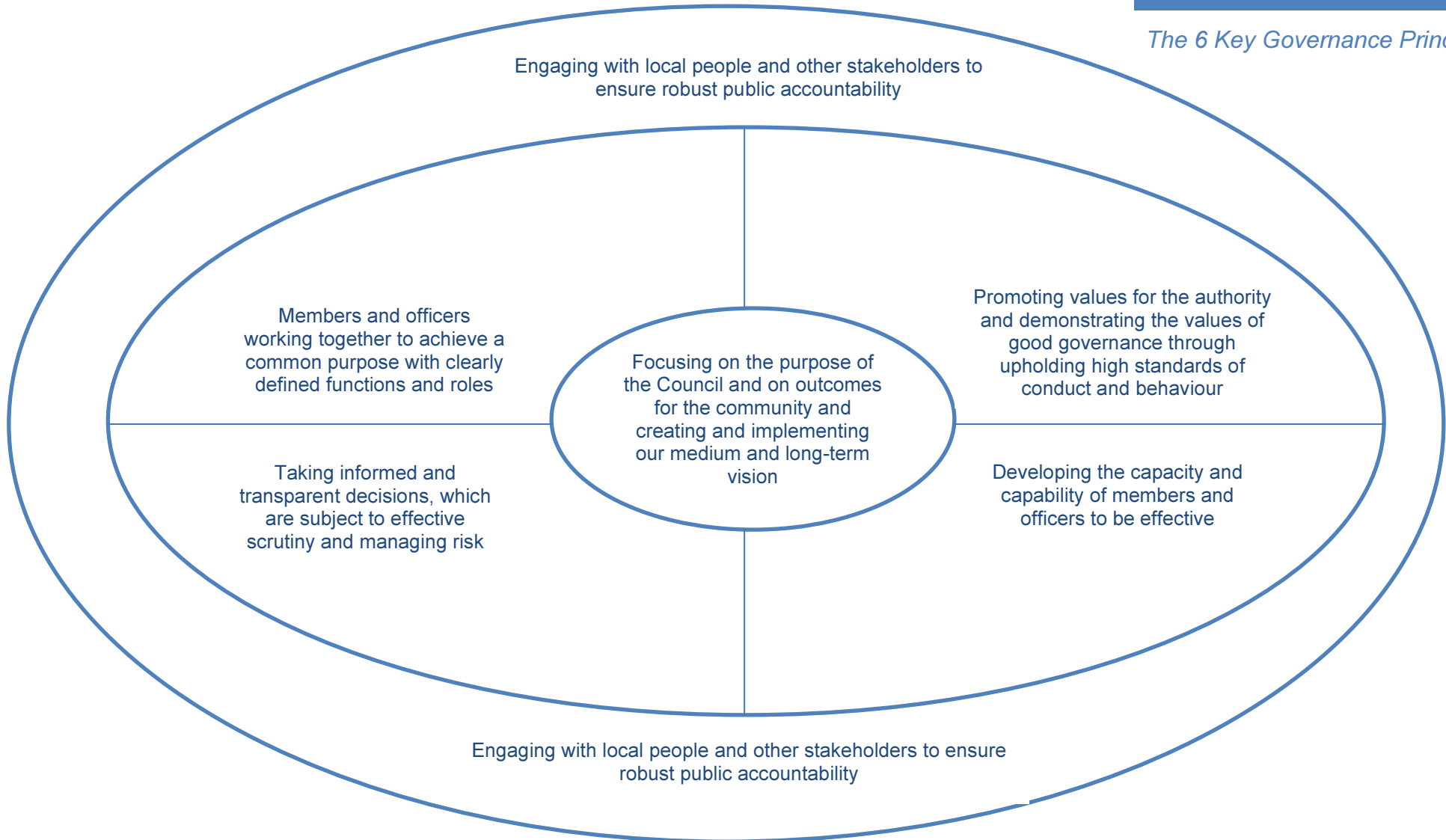
- Corporate Plan
- Frameworks for measuring service and employee performance
- Effective financial management e.g. Annual Statement of Accounts, Medium-term Financial Plan, regular reporting of performance
- Customer feedback and complaints processes
- Partnership governance framework
- Project management methodology
- Corporate procurement strategy
- HR strategy, policies and procedures
- Council Constitution and democratic arrangements e.g. Corporate Governance Committee, Standards Committee, scrutiny function
- Scheme of delegation for decision making
- Specific job roles for CEO, S151 Officer and Monitoring Officer
- Member/officer protocols
- Terms and conditions for remuneration
- Officer and member codes of conduct
- Registers of interest/hospitality
- Anti-fraud and corruption policy and whistleblowing arrangements
- Financial Regulations
- Staff and member training
- Risk management framework
- Equalities framework
- Core Values
- Effective systems, processes and controls
- Effective methods for engaging employees, customers, stakeholders etc.

Where can we get assurance?

- External auditor reviews and reports
- Internal Audit reviews and reports
- Internal audit planning linked to governance framework and risk
- Estyn reviews and reports
- CSSIW reviews and reports
- External consultant reports
- Self-assessments
- Peer reviews
- On-going review of governance
- Partnership boards
- Council's democratic arrangements e.g. scrutiny and 'audit' committees
- Staff surveys

Key principles of our governance framework

The 6 Key Governance Principles



Review of effectiveness of our governance framework

- The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. We review our effectiveness on an on-going basis through our Governance Group and the outcomes of this are contained within Appendix 1, informed by the work of those managers with responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report 2012/13, and by comments made by the external auditors and other review agencies and inspectorates.
- We also carry out an annual Corporate Self-assessment to support compliance with our statutory obligation to make arrangements to secure continuous improvement (as required under the Local Government (Wales) Measure 2009). This helps us to understand our strengths and weaknesses in relation to our key processes, such as strategic planning, performance management, workforce planning and financial management. In future, we are considering combining our governance and corporate self-assessments to provide a more efficient self-assessment process.

How have we maintained, reviewed and improved our framework this year?

- **Our Internal Audit service has a comprehensive assurance plan that works alongside the governance framework and ensures that the Head of Internal Audit can provide an opinion on governance, risk and internal control as part of his annual report. Audit assurance can be High, Medium, Low or None. The overall audit assurance for 2012/13 is Medium.**
- We regularly review of our financial systems and have implemented a restructuring of our Management Accounting function to support services in the most efficient manner and bring a greater focus on value for money, compliance and efficiency within services. We have also commenced work on new Financial Regulations for the Council. Internal Audit reviews financial systems annually and has provided High and Medium assurance opinions.
- We regularly update our Corporate Risk Register with the Corporate Executive Team (CET). Internal Audit reviews how we manage the high inherent risks in the risk register and has provided High or Medium assurance opinions in all cases.

- We have implemented a separation of duties within risk management so that Internal Audit can now carry out an independent and objective review. We have also provided training for elected members to ensure that they understand risk management. The recent Internal Audit review of corporate risk management provided.....not reported yet (will included in the final version of the AGS)
- We have improved our performance reporting against our Corporate Plan to elected members including our Annual Performance Review. Internal Audit reviewed corporate performance management, giving a Medium assurance rating and all improvements have since been implemented.
- We regularly review and update of our Constitution to take account of changing circumstances.
- Scrutiny committees are organised around key themes to enable a more corporate approach, and have shown their strength through the successful delivery of working group objectives. We have welcomed a peer review of our scrutiny function and await the outcome but we identified some improvements in our self-assessment while preparing for this review, which we will implement.
- We have developed a Governance Group of senior officers and the Chair and Vice-Chair of Corporate Governance Committee to oversee the Corporate Governance Framework, its action plan and the development of this Annual Governance Statement. We have also widened consultation on the Statement to include our Senior Leadership Team and earlier and better informed consultation with the Corporate Governance Committee.
- Corporate Governance Committee receives regular reports on progress with implementing actions to improve our governance framework. The action plan shows good progress and will be continued into 2013/14 with additional actions from this year's Annual Governance Statement.
- We have developed a new tool to show where the Council gets its assurance in all key governance areas and have used it to develop the Annual Governance Statement, linking it with the Internal Audit assurance plan and annual corporate self-assessment.
- We act on Internal Audit, external audit and other review agencies reports, developing action plans for Scrutiny Committee monitoring. Corporate Governance Committee maintains an overview of these action plans and holds services to account if they do not act on these.

Significant governance issues

- Last year's Annual Governance Statement included one significant governance issue relating to information governance. We have taken steps to improve this area during the year, including reorganising and realigning the service, but a recent Internal Audit report on Data Protection and Freedom of Information showed that there is still a significant amount of work to do. We have therefore carried it forward as a significant issue this year.
- The significant governance issues in the table below, together with any less significant issues that we have identified in our review in Appendix 1 will be added to our Governance Assurance Framework Action Plan managed by the Council's Governance Group and monitored by the Corporate Governance Committee.

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Significant Governance Issue	Proposed Action	Timescale & Responsibility
Strategic HR needs to implement improvements following an adverse Internal Audit report.	Action plan included with Internal Audit report to be implemented. Corporate Governance Committee will receive a progress update in July 2013.	Included in Action Plan Head of Strategic HR 3 July 2013
We need to improve our information governance and implement improvement to our Data Protection and Freedom of Information arrangements following an adverse Internal Audit report.		

We propose over the coming year to take steps to address the above matters to enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: **(Leader)**.....**2013**

Signed: **(Chief Executive)****2013**

Appendix 1 - Review of governance assurance arrangements

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Key Principle 1	Focusing on the purpose of the Council and on outcomes for the community and creating and implementing our medium and long term vision
<p>Our governance arrangements</p>	<ul style="list-style-type: none"> • Our process for developing our new corporate priorities for 2012-17 was robust and inclusive, and we have systems in place to support their delivery and to ensure that we review them annually. • Our performance management framework helps us to translate our corporate priorities into the contribution expected from services and shows how we will monitor this. • We have a Medium Term Financial Plan and monitor and report regularly on our financial performance, producing an Annual Statement of Accounts. Our financial management arrangements support priorities and ensure financial health. <ul style="list-style-type: none"> • We monitor and report regularly on operational performance, producing an Annual Performance Review. <ul style="list-style-type: none"> • All services undergo performance challenges during the year. • Our customer feedback and complaints framework is designed to feed into service improvement. • We are involved in, and lead on, a number of regional and sub-regional collaboration projects, and have developed proper governance arrangements for our collaboration activity. We are recognised as a leader in terms of developing the partnership agenda, with a joint Local Service Board and an integrated strategic partnership plan (The BIG Plan). <ul style="list-style-type: none"> • We have improved our management of programmes and projects following a full review of the project management methodology, PRINCE2 training, and the procurement of a project management system. • Our human resources strategy and policies show how we manage our human resources and plan our future workforce.
<p>Assurances received</p>	<ul style="list-style-type: none"> • Wales Audit Office Improvement Assessment Letters • Internal Audit reports on services, including corporate performance management, partnerships, strategic HR and financial systems <ul style="list-style-type: none"> • Partnerships Scrutiny Committee and Senior Leadership Team review of partnership framework <ul style="list-style-type: none"> • The BIG Plan • Various major partnerships, e.g. North Wales Procurement, Regional Food Waste, Regional School Improvement <ul style="list-style-type: none"> • Regular and year-end financial and performance reports to elected members • Wales Audit Office report on the Council's accounts and financial systems <ul style="list-style-type: none"> • Service Performance Challenge report

- Regular reports on complaints and other feedback to Performance Scrutiny and Corporate Governance Committees
 - Partnership Scrutiny Committee and some joint scrutiny committees receive regular reports on partnership work
 - Medium Term Financial Plan updates to Cabinet
- Various self-assessment reports, including, Corporate Self-Assessment, Social Services self-assessment, Estyn inspection self-assessment, service self-assessments
 - Corporate Partnership Register
- Corporate Project Register reported to CET regularly

Improvement Areas

- We still have work to do to develop how we will deliver some of our corporate priorities.
- We need to improve co-ordination of the various self-assessments that we carry out.
- Within our financial planning, we need to develop a more strategic approach to the efficiency programme for the difficult years ahead.
- We are developing new service standards to improve customer service further.
- We still have work to do to improve how we manage customer complaints.
- The configuration of Denbighshire's strategic partnerships is not yet right and requires further work.
- We need to re-launch our partnership framework to make sure that everyone is aware of it and uses it.
- We are improving our procurement strategy, systems and processes to achieve more financial savings.
- We are strengthening the Service Performance Challenge process for 2013.
- We will continue our work to fully embed programme and project management into our culture.
- Strategic HR needs to implement improvements following an adverse Internal Audit report.

Key Principle 2 Members and officers working together to achieve a common purpose with clearly defined functions and roles

Our governance arrangements

- Our Constitution clearly sets out respective roles and responsibilities of the Cabinet and its individual members, particularly relating to governance. It includes our scheme of delegation for decision making.
 - We ensure separation within key roles, such as CEO, S151 Officer and Monitoring Officer.
- The role of the S151 Officer ensures that appropriate advice is given on all financial matters, that the Council keeps proper financial records and accounts, and maintains an effective system of internal financial control.
- The Monitoring Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.
 - We have a member/officer protocol to ensure constructive working relationships.
- We have agreed terms and conditions for remuneration of elected members and officers and an effective structure for managing the process.
 - We have a performance management and appraisal process for officers.
- Our partnership framework requires partnerships to have clear objectives, clarity of roles and responsibilities, governance arrangements, funding arrangements, accountabilities and protocols for dispute resolution.

Assurances received

- Constitution approved by County Council includes roles & responsibilities, key officer roles, member/officer protocol, remuneration scheme, scheme of delegation etc.
 - Cabinet reports on budget setting and monitoring of financial performance
 - Job descriptions outline the roles of key officers
 - Partnerships Scrutiny Committee and Senior Leadership Team review of partnership framework
 - Improvements made following the Internal Audit report on partnerships

Improvement Areas

- We are developing a performance management framework for elected members.
- While we now have a partnership framework, we need to make sure that all current partnerships meet its requirements.

Key Principle 3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Our governance arrangements

- We have codes of conduct for officers and elected members.
- Our member/office protocol ensures high standards of behaviour.
- We operate a register of interests and hospitality and elected members have the opportunity to declare interests at meetings.
 - Customers can use our feedback and complaints framework if they are not happy about conduct and behaviour.
 - We have a policy on anti-fraud and corruption.
- Our Corporate Governance Committee acts as an 'audit committee', complying with the Local Government (Wales) Measure.
 - We operate an independent and objective Standards Committee.
 - Financial Regulations outline key responsibilities in respect of conflicts of interest, prejudice, bias etc.
 - We have a set of core values for elected members and officers.
 - Our performance appraisal process includes an assessment of conduct and application of core values.
 - Our partnership framework includes a set of values against which decision making and actions can be judged.
- Our systems and processes are designed to comply with laws, regulations, internal policies and procedures and conform to appropriate ethical standards.

Assurances received

- Constitution approved by County Council includes codes of conduct, member/officer protocol, requirements for declarations of interest, Standards Committee role, Corporate Governance Committee terms of reference
 - Committee meeting agendas and minutes showing declarations of interest from elected members
- Regular reports on complaints and other feedback to Performance Scrutiny and Corporate Governance Committees
 - Head of Internal Audit review of Corporate Governance Committee terms of reference
 - Partnerships Scrutiny Committee and Senior Leadership Team review of partnership framework
 - Improvements made following the Internal Audit report on partnerships
 - Internal Audit Annual Report 2012/3 giving assurance on the system of internal control

Improvement Areas

- We need to update our anti-fraud and corruption policy.
- We are updating our Financial Regulations.
- We are undertaking a self-assessment to ensure that the Corporate Governance Committee operates effectively as an audit committee.

Key Principle 4

Taking informed and transparent decisions, which are subject to effective scrutiny and managing risk

Our governance arrangements

- We have a robust scrutiny function to challenge decision-makers constructively, including those who work in partnership with us.
- Our Council, Cabinet and committee meetings are open and transparent. We advertise meetings in advance, have transparent decision-making processes, publish decisions and have robust criteria for considering confidential reports.
 - Elected members have the opportunity to declare interests at meetings.
 - We have codes of conduct for officers and elected members.
 - We operate a register of interests and hospitality.
 - Our 'audit committee' is independent of the Cabinet to allow it to act objectively.
- Customers can use our feedback and complaints framework if they are not happy about the way we make decisions.
- We present external and internal regulator reports to the relevant committee and act on issues raised in those reports.
 - We provided a comprehensive training programme for elected members following the last local elections.
- We have reviewed our committee reporting to provide more concise and clearer reports to our elected members to help decision making.
- We have processes in place to manage risk effectively and regularly update our Corporate Risk Register. We have provided separation of duties between co-ordination of risk management and the audit of risk management.
- We have an independent and effective internal audit service operating within professional auditing standards, providing a wide range of governance, risk, operational and financial assurance, including on partnerships.
 - We have whistleblowing arrangements for elected members, officers and contractors.
 - We have a robust system of internal control, both financially and operationally.
 - Our partnership framework requires each partnership to assess risks and outline how it will manage them.
- Our Monitoring Officer makes sure that the Council follows agreed procedures and complies with all applicable statutes and regulations.
- The Constitution and scheme of delegation clearly outline statutory obligations of elected members and officers who make decisions.

Assurances received

- Agendas, reports and minutes of Council, Cabinet, scrutiny and other committees
- Council meetings, papers and decisions published on the Council's website and in libraries
 - Formal protocol for Part II reports
- Council's Constitution includes statutory obligations, codes of conduct, member/officer protocol, committee terms of reference etc.
- Regular reports on complaints and other feedback to Performance Scrutiny and Corporate Governance Committees
- Corporate Governance Committee and Performance Scrutiny minutes show consideration of internal and external regulator reports
 - Updated corporate risk register presented to Performance Scrutiny Committee in February 2013
 - Internal Audit Strategy 2012/13 and regular progress reports to Corporate Governance Committee
- Internal Audit Annual report 2012/13 giving a positive opinion on the system of governance, risk management and internal control
 - Internal Audit's Charter outlining its status and independence
- Improvements made following the Internal Audit report on partnerships
 - Internal Audit report on corporate risk management

Improvement Areas

- We need to promote our scrutiny function among our stakeholders and provide further training for elected members. We will also implement any improvements arising from a recent peer review.
- We need to improve our information governance and implement improvement to our Data Protection and Freedom of Information arrangements following an adverse Internal Audit report.
- Our Corporate Self-assessment recognised some improvements needed in risk management and we will implement these and any additional issues arising from the recent Internal Audit review.
- We will update Internal Audit's Charter and carry out a self-assessment of the service to ensure that it complies with the new Public Service Internal Audit Standards.
- We are strengthening our research and intelligence functions to be more proactive in the way that we consider the external environment to support decision-making and strategic planning.
- We are updating our Whistleblowing policy.

Key Principle 5

Developing the capacity and capability of members and officers to be effective

Our governance arrangements

- We are developing our elected members to have the skills, knowledge and experience to carry out their roles effectively.
 - New elected members received a comprehensive programme of training in the months following their election.
- We have made some improvements to workforce planning and the way we make use of our employees to achieve improvement.
 - We have improved the rate of officer performance appraisals completed.
 - We have a programme of corporate training in a variety of subjects.
- We encourage new ideas from inside and outside of the Council to improve our services and performance through community engagement, employee suggestion schemes, manager conferences, officer groups etc.

Assurances received

- Strategic HR reports to CET on officer appraisal completion rates
- Cabinet Lead Member leading on elected member development project
- Training programme and attendance records for elected member training following election
 - Community Engagement Plan
 - Middle Managers conferences held regularly
 - Bright Ideas scheme
 - Corporate training programme
 - The Hwb
 - Learning Hub on Intranet

Improvement Areas

- We need to do more to improve the flexibility of our workforce to enable us to use them in the areas of greatest need.
- We are developing a new training programme for elected members based on a needs assessment.
- There is still work to do to ensure that officer performance appraisals are completed at least once a year.

Key Principle 6

Engaging with local people and other stakeholders to ensure robust public accountability

Our governance arrangements

- We have a scrutiny function that includes scrutiny of performance and of partnership arrangements.
- We have a Community Engagement Plan to ensure we take an active and planned approach to dialogue with the public.
 - Our customer feedback and complaints framework allows the opportunity for views to be shared on service delivery.
- We have a co-ordinated approach to internal and external communications and media activities to publicise our priorities and the action we will be taking to improve services for those who live in, work in or visit the county.
- Our Council, Cabinet and committee meetings are open and transparent. We advertise meetings in advance, have transparent decision-making processes, publish decisions and have robust criteria for considering confidential reports.
- We maintain strong working relationships with our external partners, including the joint Conwy & Denbighshire Local Service Board, and actively engage with stakeholders and local communities.
- We have played a leading role in the North Wales Public Sector Equality Network, which has produced six shared objectives with agreed action areas to drive forward equality work across the region.
- We report regularly our financial performance. Our Annual Statement of Accounts is open to the public for inspection as required by legislation and the final version is accessible on our website.
 - We report regularly on operational performance, producing an Annual Performance Review.
- We engage our employees through staff road shows, Excellence Denbighshire, staff surveys, CEO breakfast meetings, Staff Council etc.

Assurances received

- Scrutiny committee agenda, reports, minutes etc.
- Partnership framework includes requirement for governance arrangements
 - Member Area Groups
 - Residents Survey 2011
 - Town Plans
 - Town & Community Council cluster groups
- Improvements made following the Internal Audit report on partnerships
- Regular reports on complaints and other feedback to Performance Scrutiny and Corporate Governance Committees
 - Communication Strategy

- Community Engagement Plan
- Agendas, reports and minutes of Council, Cabinet, Scrutiny and other committees
- Council meetings, papers and decisions published on the Council's website and in libraries
 - Formal protocol for Part II reports
 - Strategic Equalities Plan.
- Positive Wales Audit Office report on the Council's accounts and financial systems
- Regular financial and performance reports to Scrutiny committees and Cabinet
 - 'You Said, We Did' action plan following 2011 staff survey
 - Agendas and minutes of Staff Council
 - Denbighshire Volunteering Strategy
 - Excellence Denbighshire awards

Improvement Areas

- We need to make sure that our employees are fully aware of the requirements of equalities legislation.
- The Consultation & Engagement Strategy needs to become embedded in our service delivery.
- We will roll out the Denbighshire Volunteering Strategy.
- We need to further improve the way we engage with business groups.

CIPFA/SOLACE Definition Focusing on the purpose of the Council & on outcomes for the community & creating & implementing our medium & long term vision

DCC Definition We will be an excellent local authority providing high quality & efficient services to all our citizens & service users, which complements our long-term county vision.

	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
We exercise strategic leadership by developing & clearly communicating our Corporate Plan & its intended improvement outcomes.								
Corporate Plan clearly showing what the Council is aiming to achieve	Corporate Self-assessment	Corporate Plan 2012-17			County Council Oct 2012		WAO Annual Improvement Letter Jan 13	
Regularly review our vision for the local area and its implications for our governance arrangements		Corporate Plan 2012-17			County Council Oct 2012			
Processes for translating the Council's corporate priorities into the contribution expected from services & how this will be monitored		Corporate Plan Delivery document 2012-13				Corporate Performance Management Nov 2012		
Performance Management Framework to deliver the Corporate Plan & monitor performance against the Plan		Performance Management Framework		Performance Scrutiny Committee Oct 2012	Performance Scrutiny Committee Oct 2012	Corporate Performance Management Nov 2012		
Annual Statement of Accounts		Annual Statement of Accounts 2011-12			Corporate Governance Committee Sep 2012		External Auditors Report in Statement of Accounts	
Annual Performance Report		Annual Performance Report 2011-12		Performance Scrutiny Committee Oct 2012	Performance Scrutiny Committee Oct 2012	Corporate Performance Management Nov 2012		

	Management Controls			Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy	
Service users receive a high quality of service, whether directly, in partnership, or by commissioning.									
Service standards framework		WIP for Apr 2013 implementation							

Customer feedback & complaints framework		Various				Performance Scrutiny Committee Nov 2012				
Partnership Governance framework that includes measurement of service quality		Partnership Governance Toolkit & Register				Partnerships Scrutiny Committee Apr 2012	Partnership Governance Nov 2011			
Performance Management Framework to deliver the Corporate Plan & monitor performance against the Plan		Performance Management Framework				Performance Scrutiny Committee Oct 2012	Corporate Performance Management Nov 2012			
Project management framework to deliver projects on time, to specification & within budget	CET reports on Project Register giving delivery confidence	Project Management Methodology & Register								
Procurement management framework, including measurement of service quality		Corporate Procurement Strategy 2009-12								

We make best use of our resources to ensure that taxpayers & service users receive excellent value for money.	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
Performance management framework		Performance Management Framework		Performance Scrutiny Committee Oct 2012	Performance Scrutiny Committee Oct 2012	Corporate Performance Management Nov 2012		
Medium Term Financial Plan & framework that includes ways to measure value for money		Medium Term Financial Plan 2011/14			Cabinet Dec 2012			
Method to measure the environmental impact of policies, plans & decisions								
HR Strategy & workforce planning		People Strategy 2011-14				Strategic HR Oct 12		

CIPFA/SOLACE Definition	Members & officers working together to achieve a common purpose with clearly defined functions & roles
DCC Definition	Everyone involved in running the Council understands each other's roles & responsibilities & how, together, they will deliver Denbighshire's medium and long-term vision.

	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
We ensure effective leadership throughout the organisation & are clear about executive & non-executive functions & the roles & responsibilities of the scrutiny function.		Constitution (Article 2)			County Council May 2012			
The Constitution clearly sets out respective roles & responsibilities of the Cabinet & its individual members, particularly relating to governance		Constitution (Article 2, Article 12 & Part 9)			County Council May 2012			
The Constitution clearly sets out respective roles & responsibilities of other elected members & senior officers		Constitution (Part 9)			County Council May 2012			
Scheme of Delegation for decision making		await staff survey results						
Effective leadership at elected member & senior officer level								

	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
We have constructive working relationships between our elected members & officers & ensure that they carry out their responsibilities to a high standard.		Constitution (Part 9)			County Council May 2012			
Regularly monitored & updated scheme of delegation within the Constitution, including a formal schedule of matters specifically reserved for collective decision of the Council		Constitution (Article 12)			County Council May 2012			
CEO responsible & accountable to the organisation for all aspects of operational management		Constitution (Part 5.3)			County Council May 2012			
Protocol to ensure that the Leader & CEO negotiate their respective roles early in the relationship & they maintain a shared understanding of roles & responsibilities		Constitution (Part 5.3)			County Council May 2012			
Member/Officer Protocol		Constitution (Article 12)			Cabinet Jan 2013			
S151 Officer responsible to the organisation for ensuring that appropriate advice is given on all financial matters, keeping proper financial records & accounts, & maintaining and effective system of internal financial control.		Constitution (Part 6)			County Council May 2012			
Terms & conditions for remuneration of elected members & officers & an effective structure for managing the process								

Monitoring Officer responsible to the organisation for ensuring that it follows agreed procedures & complies with all applicable statutes & regulations		Constitution (Article 12)			County Council May 2012			
Performance management & appraisal processes for elected members & officers		Appraisal process for officers in place. Development in progress for elected members						

We have clear relationships with our partners & the public so that we all know what to expect of each other.	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
Partnership Governance Framework that ensures that for each partnership there is: <ul style="list-style-type: none"> - a clear statement of the partnership principles & objectives - clarity of each partner's role within the partnership - a definition of roles of partnership board members - line management responsibilities for staff who support the partnership - a statement of funding sources for joint projects & clear accountability for proper financial administration - a protocol for dispute resolution within the partnership 		Partnership Governance Toolkit			Partnerships Scrutiny Committee Apr 2012	Partnership Governance Nov 2011		

CIPFA/SOLACE Definition Promoting values for the authority & demonstrating the values of good governance through upholding high standards of conduct & behaviour

DCC Definition We have a team that can do the job well & whose behaviours are rooted in our core values of Pride, Unity, Respect & Integrity.

Our elected members & officers exercise leadership by behaving in ways that exemplify high standards of conduct & effective governance.	Management Controls		Other Control & Compliance Processes				Independent Assurance	
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
Codes of conduct for elected members & officers that form part of induction training & are regularly communicated		Constitution (Parts 5.1 & 5.2)			County Council May 2012			
Leadership sets a tone for the organisation by creating a climate of openness, support & respect		await staff survey results						
Member/Officer Protocol		Constitution (Part 5.3)			County Council May 2012			
Register of financial interests & hospitality for officers		Hospitality Register & Register of Interests						
Process for elected members to declare interests generally & in relation to specific issues &/or reports		All committee meeting agendas			All committee meeting agendas			
Customer feedback & complaints framework		Various			Performance Scrutiny Committee Nov 2012			
Anti-fraud & corruption policy		Policy for the Prevention & detection of Fraud & Corruption						
Standing Orders outline elected member responsibilities in respect of conflicts of interest, prejudice, bias etc.		Constitution (Part 4.1)			County Council May 2012			
Governance arrangements comply with the requirements of CIPFA's <i>Statement of the Role of the Head of Internal Audit (2010)</i>								
Financial management arrangements conform with the governance requirements of the CIPFA <i>Statement on the Role of the Chief Financial Officer in Local Government (2010)</i>								

Audit Committee' undertaking core functions as outlined in CIPFA's <i>Audit Committees: Practical Guidance for Local Authorities</i>		Constitution (Part 3)				County Council May 2012			
Effective & impartial Standards Committee		Constitution (Article 9)				County Council May 2012			
Financial Regulations outline officer responsibilities in respect of conflicts of interest, prejudice, bias etc.		Constitution (Part 4.6)				County Council May 2012			
Performance appraisal process includes assessment of conduct		Performance Management Competency Framework							

	Management Controls			Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy	
We have effective organisational values.									
Core Values for elected members & officers that form part of induction training & are regularly communicated with elected members, officers, the community & partners		Performance Management Competency Framework							
Performance appraisal process includes assessment of application of Core Values									
Core Values act as a guide for decision making & as a basis for developing positive & trusting relationships within the organisation									
Partnership Governance Framework that includes a set of values against which decision making and actions can be judged		Partnership Governance Toolkit			Partnerships Scrutiny Committee Apr 2012	Partnership Governance Nov 2011			
Effective operation of systems & processes that are designed to comply with laws, regulations, internal policies & procedures & conform with appropriate ethical standards					Corporate Governance Committee Jul 2012	IA Annual Report 2011/12			

CIPFA/SOLACE Definition Taking informed & transparent decisions, which are subject to effective scrutiny & managing risk

DCC Definition Our governance & scrutiny functions are part of our Strong Governance & Leadership Improvement theme

	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
We are rigorous & transparent about how we make decisions & listen & act on the outcome of constructive scrutiny.								
An effective scrutiny function, supported by evidence & data analysis, to challenge decision-makers constructively, including those who work in partnership with the Council	Corporate self-assessment							await outcome of peer review
Decision making protocol, including documenting of evidence for decisions		Constitution (Part 9)			County Council May 2012			
Robust criteria for Part II reports		Criteria report						
Comprehensive & published record of decisions made, including rationale and considerations on which decisions are based		Council Intranet & website						
Process for elected members to declare interests generally & in relation to specific issues &/or reports		All committee meeting agendas			All committee meeting agendas			
Codes of conduct for elected members & officers that form part of induction training & are regularly communicated		Constitution			County Council May 2012			
Register of financial interests & hospitality for officers		Register of hospitality and interests						
Effective 'audit committee', independent of the executive & scrutiny functions, with specific terms of reference & appropriately experience & trained membership		Not yet measured effectiveness						
Customer feedback & complaints framework				Performance Scrutiny Committee Nov 12	Performance Scrutiny Committee Nov 12			
Clear & transparent Freedom of Information arrangements					Corporate Governance Committee Feb 13	Data Protection & Freedom of Information Report Nov 12		
Clear & accessible advertisement of 'public' meetings		Website & libraries						

Arrangements to consider reports of external regulators at the relevant management & elected member levels & monitor action plans arising from regulator reviews									Various				
<p>We have good-quality information, advice & support to ensure that we deliver services effectively & that these are what the community wants/needs.</p> <p>Elected member induction training programme</p> <p>Training for committee chairs</p> <p>Officers provide clear, concise but comprehensive reports & advice for elected members to make decisions, that clearly explains the implications of the decision</p> <p>Provision & recording of proper professional advice on matters that have legal or financial implications well in advance of decision making</p> <p>Policies to govern the management and secure handling, storage, disposal and sharing of information assets</p> <p>Information management framework that ensures secure handling, storage, disposal & sharing of information assets</p>	Management Controls			Other Control & Compliance Processes			Independent Assurance						
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy					
		Training programme											
		CET Oct 12				Cabinet Jan 13							
					Corporate Governance Committee Feb 13				Data Protection & Freedom of Information Report Nov 12				
									Data Protection & Freedom of Information Report Nov 12				
<p>We have an effective risk management system.</p> <p>Risk management embedded into the culture of the organisation, with elected members & managers at all levels recognising that risk management is part of their role.</p> <p>Risk management framework that includes regularly updated corporate & service risk registers</p> <p>Robust system of internal control, financially & operationally</p>	Management Controls			Other Control & Compliance Processes			Independent Assurance						
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy					
		Risk management guidance on Intranet	Corporate & Service Risk Registers							await outcome of IA report			
					Performance Scrutiny Committee Feb 13					await outcome of IA report			
					Corporate Governance Jul 12				Internal Audit Annual Report 2012/13			External Auditors Report in Statement of Accounts	

Independent & objective internal audit service providing assurance across the whole range of Council services, including partnerships		Internal Audit Charter					Internal Audit Strategy 2012/13		
Effective whistleblowing arrangements published & easily accessible for elected members, officers & contractors		SLT Feb 13							
Partnership Governance Framework that ensures that for each partnership there is an assessment of risks & evidence of how these will be & are being managed		Partnership Governance Toolkit & Register				Partnerships Scrutiny Committee Apr 2012	Partnership Governance Nov 11		

	Management Controls			Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy	
We use our legal powers to the full benefit of the citizens & communities in our area.									
Monitoring Officer responsible to the organisation for ensuring that it follows agreed procedures & complies with all applicable statutes & regulations		Role outlined in Constitution			County Council May 2012				
The Constitution & scheme of delegation clearly outline statutory obligations of elected members & officers who make decisions		Constitution (Part 9)			County Council May 2012				
Arrangements to monitor, review and communicate changes in laws or statutory regulations									

CIPFA/SOLACE Definition	Developing the capacity & capability of members & officers to be effective
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DCC Definition	We support, train & develop our elected members & staff to maintain an adaptable, skilled & flexible workforce, to meet future challenges & adapt to new priorities
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Our elected members & officers have the skills, knowledge, experience & resources they need to perform well in their roles.	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
Elected member & officer induction programmes		Training programme						
Elected member needs assessment & training programme		Being developed						
Officer appraisal process, resulting in training & development plans		Appraisal process for officers						
Corporate training programme for officers		Training programme on Intranet						

We develop the capability of those people with governance responsibilities & evaluate their performance, as individuals & as a group.	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
Elected member needs assessment & training programme that includes: - ability to scrutinise & challenge - ability to recognise when outside advice is needed - acting as an ambassador for the community - leadership & influencing skills		Being developed						
Performance management framework for Cabinet as a whole & individual Lead Members		Being developed						
Assessment of 'audit committee' effectiveness		In progress						

We encourage new talent for the organisation so that we can make best use of individuals' skills & resources in balancing continuity & renewal.	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
Community Engagement Plan that includes area and/or stakeholder forums		Community Engagement Plan						

Partnership Governance Framework		Partnership Governance Toolkit & Register						Partnership Governance Nov 11		
Workforce development & arrangements for developing emerging talent		Workforce Development Plan								
Middle Managers conferences		Agendas and presentations for Middle Manager Conferences								
Officer appraisal process, resulting in training & development plans		Appraisal process for officers								
Corporate training programme for officers		Training programme on Intranet								
Bright Ideas suggestion scheme to encourage innovation		Bright Ideas on Intranet								

CIPFA/SOLACE Engaging with local people & other stakeholders to ensure robust public accountability

DCC Definition We engage with local people and other stakeholders to ensure robust public accountability

	Management Controls		Other Control & Compliance Processes				Independent Assurance	
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
We exercise leadership through a robust scrutiny function that effectively engages local people & all local institutional stakeholders, including partnerships, & develops constructive accountability relationships.		Corporate Self-assessment						Awaiting peer review outcome
Robust scrutiny function, including scrutiny of partnerships		In progress						
Assessment of 'audit committee' effectiveness		Partnership Governance Toolkit & Register			Various	Partnership Governance Nov 11		
Partnership Governance Framework								
Annual reports to Council on scrutiny & 'audit' committee activity								

	Management Controls		Other Control & Compliance Processes				Independent Assurance	
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
We take an active & planned approach to dialogue with, and accountability to the public to ensure effective & appropriate service delivery, whether directly, in partnership or by commissioning.								
Community Engagement Plan that includes area and/or stakeholder forums					Communities Scrutiny Committee Oct 12			
Consultation strategy for service delivery								
Customer feedback & complaints framework		Various			Performance Scrutiny Committee Nov 2012			
Partnership Governance Framework		Partnership Governance Toolkit & Register				Partnership Governance Nov 11		
Communication Strategy		Communication Strategy on Intranet						
Clear & accessible advertisement of 'public' meetings		Advertised on website & in libraries						

Robust criteria for Part II reports		Criteria report													
Residents' survey															
Equalities Framework		Strategic Equalities Framework on Website									Staff Survey Mar 2013				
Corporate Plan	Corporate Self-assessment	Corporate Plan 2012-17					County Council Oct 2012						WAO Annual Improvement Letter Jan 13		
Annual Statement of Accounts		Annual Statement of Accounts 2011-12					Corporate Governance Committee Sep 2012						External Auditors Report in Statement of Accounts		
Annual Performance Report		Annual Performance Report 2011-12					Performance Scrutiny Committee Oct 2012				Corporate Performance Management Nov 2012				

	Management Controls		Other Control & Compliance Processes			Independent Assurance		
	Self-Assessment	Other Report / Evidence	Risk Management	Performance Management	Member Scrutiny	Internal Audit	External Regulatory	Consultancy
We make best use of human resources by taking an active & planned approach to meet our responsibility to our staff.								
HR Strategy & workforce planning		HR Strategy & workforce Planning document					Strategic HR Oct 12	
Workforce engagement framework								
Staff road shows		CEO Leader roadshows in 2012/3						
Staff surveys		HR Staff survey Feb 13						
CEO breakfast meetings		CEO Breakfast meetings in 2012/3						
Staff Council		Staff council meeting agendas and minutes						

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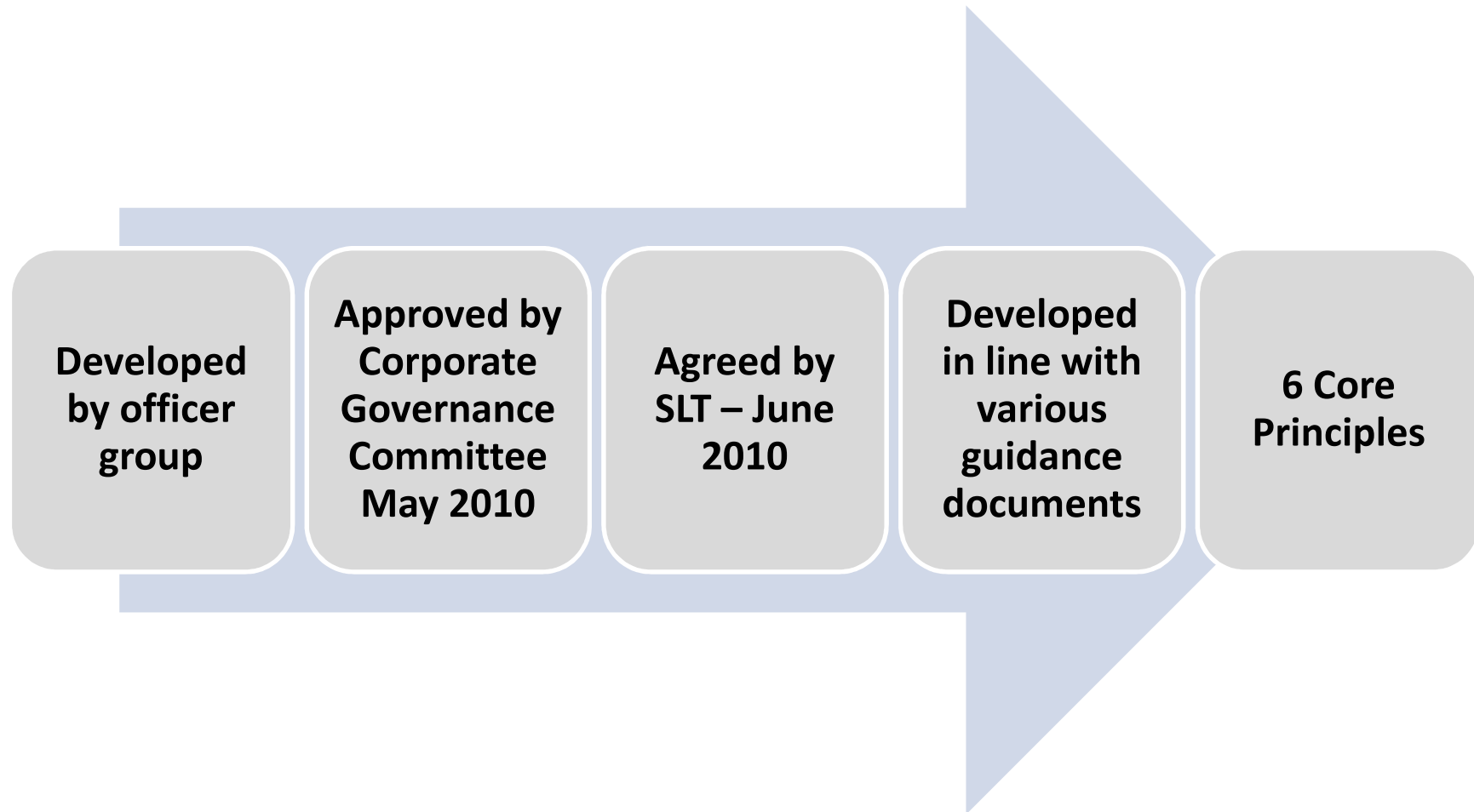


Corporate Governance Framework

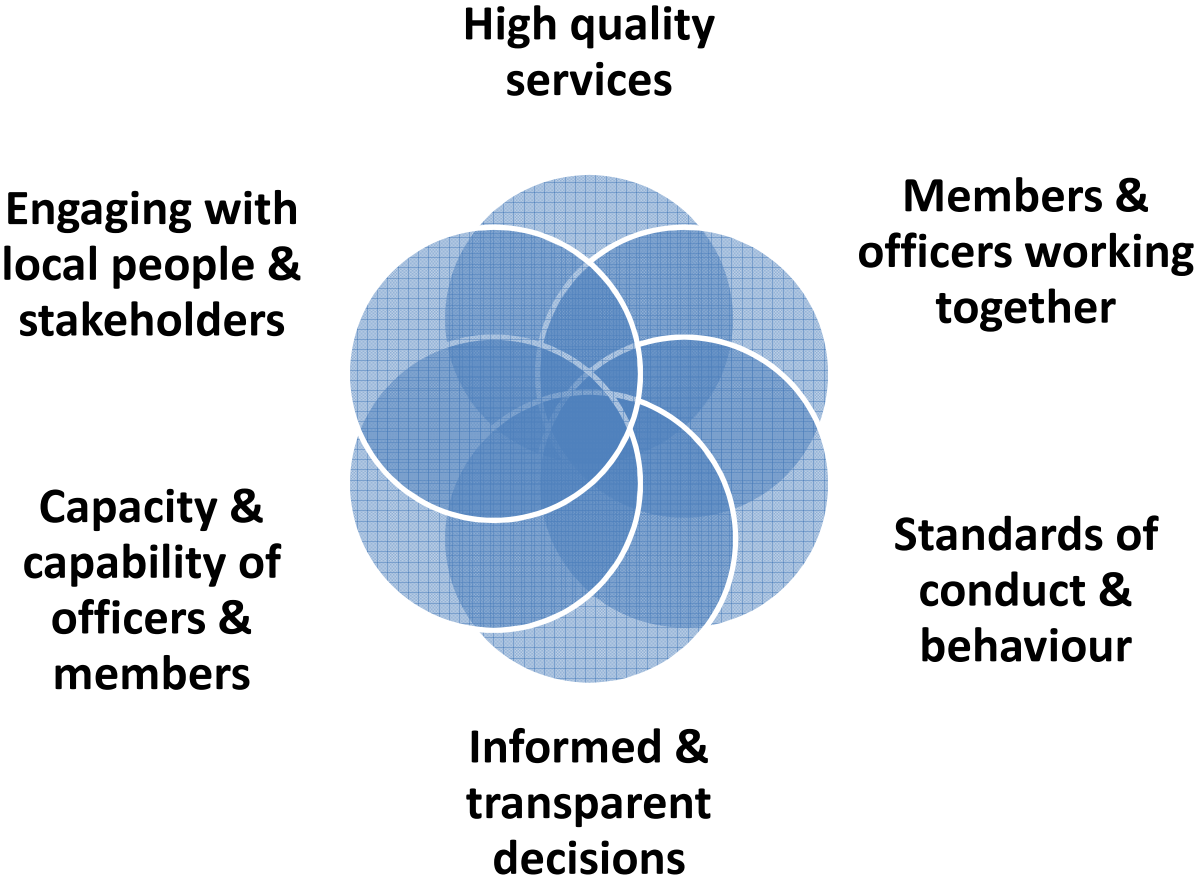
**Presentation to Corporate
Governance Committee**

April 2013

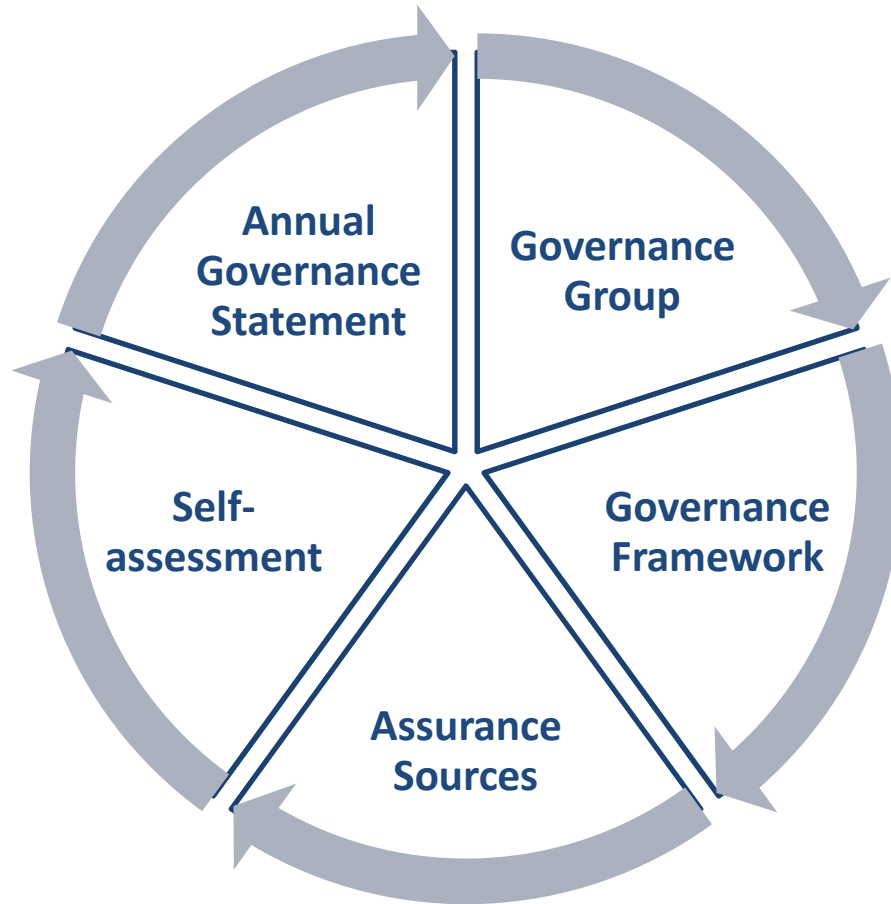
Code of Corporate Governance



6 Principles



Gathering Evidence



Governance Group

Jason McLellan

Gwyneth Kensler

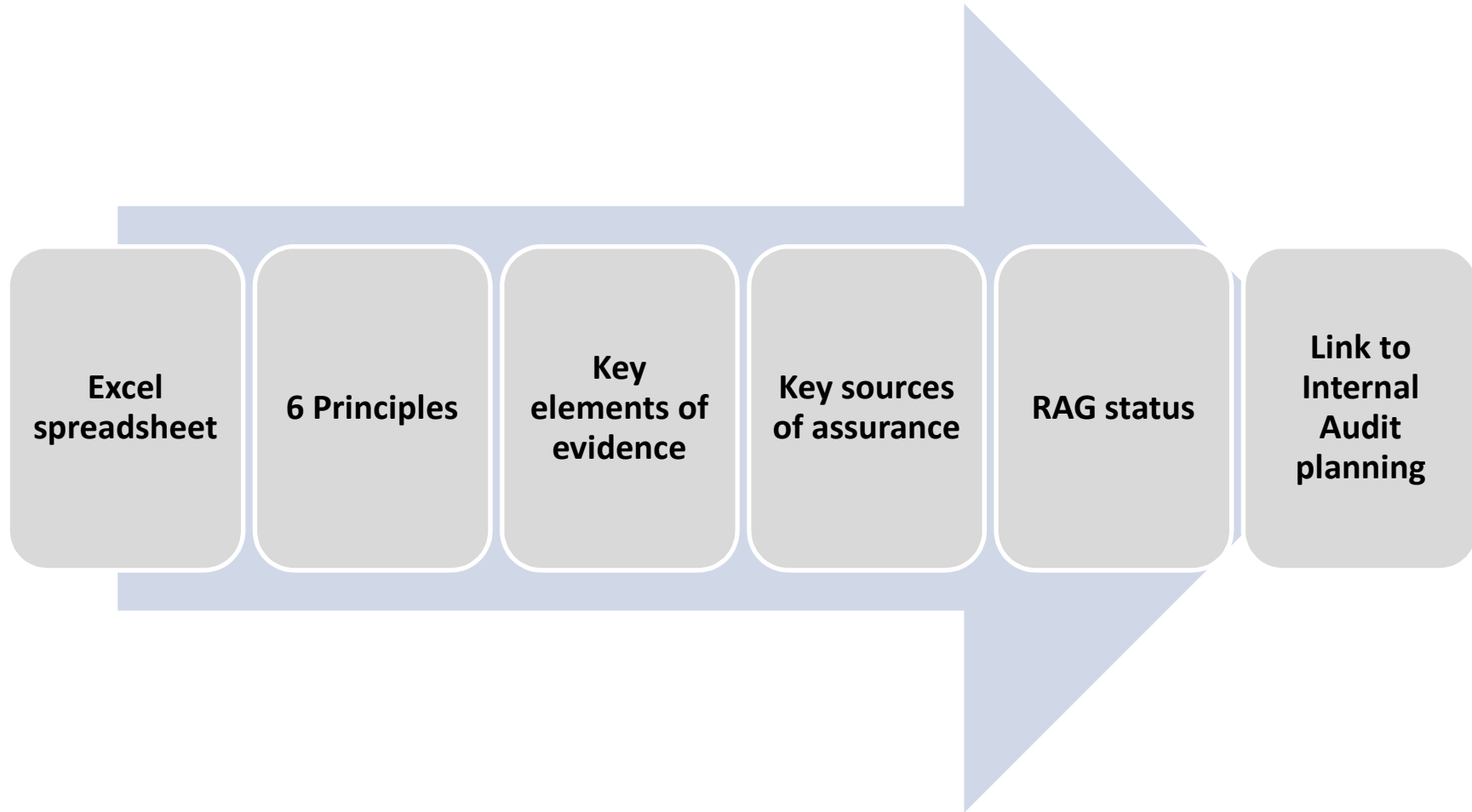
Ivan Butler

Paul McGrady

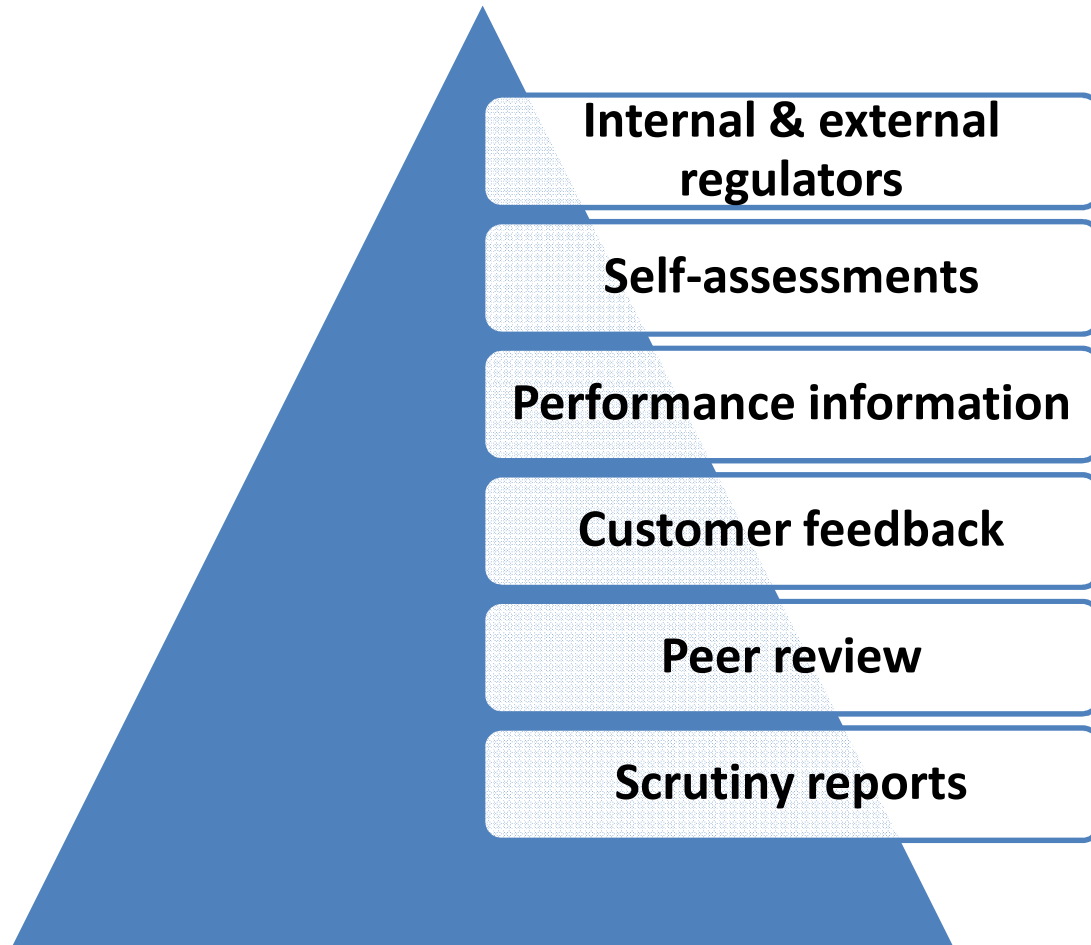
Alan Smith

Gary Williams

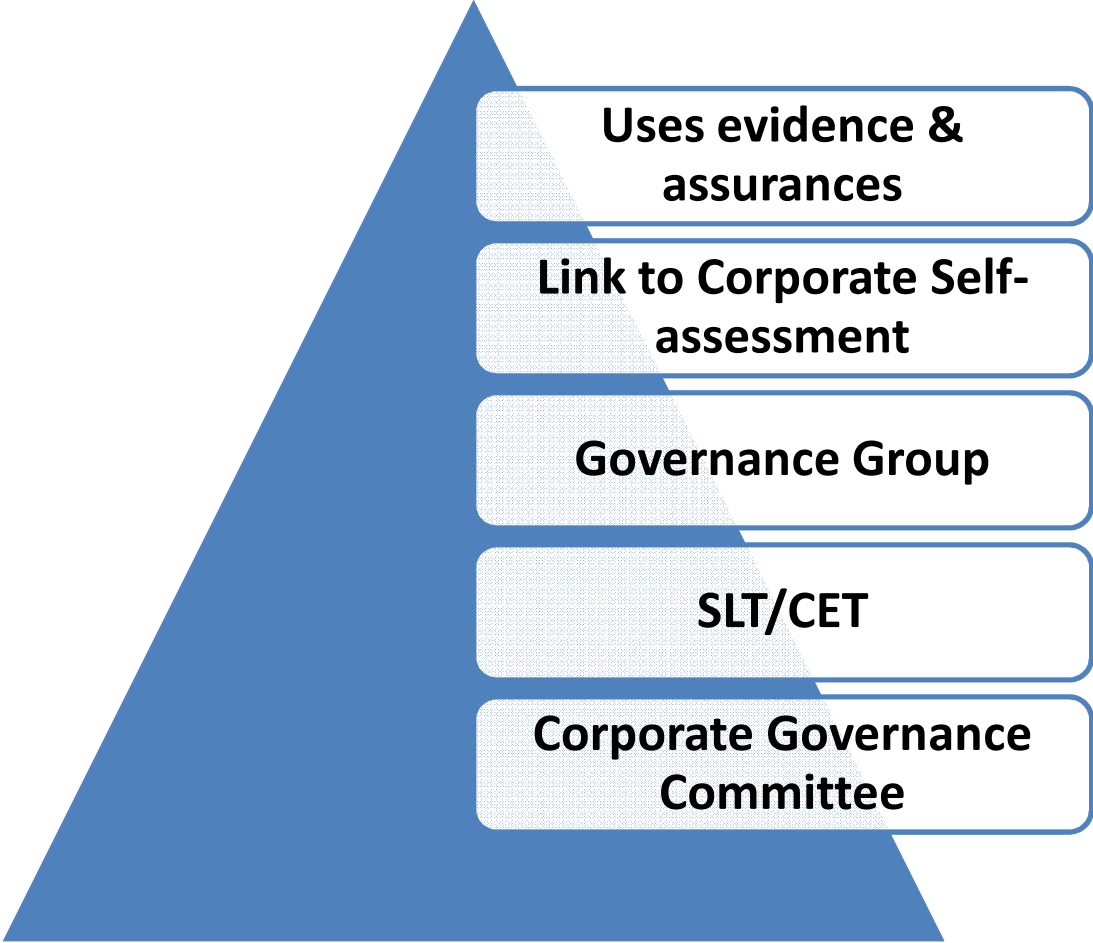
Governance Framework



Assurance Sources - Examples



Self-assessment



Annual Governance Statement



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Report To: Corporate Governance Committee

Date of Meeting: 10 April 2013

Report Author: Head of Internal Audit Services

Title: Internal Audit Strategy 2013-14

1. What is the report about?

This report introduces the Internal Audit Strategy for 2013/14. This is a brief covering report, as all necessary background information is included in the Strategy document itself.

One key point to highlight is on Page 3 of the Strategy, which explains that we may be asked to continue our work in National Resources Wales (previously our Countryside Council for Wales contract). If this happens, I will produce a revised Strategy for Committee to consider.

2. What is the reason for making this report?

Corporate Governance Committee's terms of reference include approval of Internal Audit's plan of work.

3. What are the Recommendations?

Committee approves the Internal Audit Strategy 2013/14

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Internal Audit Strategy 2013-14

**Ivan Butler MBA, CMIIA
Head of Internal Audit Services**

March 2013

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- Capacity & Audit Needs Assessment.....3
- Performance4
- The Internal Audit Planning Process5
- Internal Audit Assurance Plan 2013/146

Background to the Service

- The Internal Audit Service is an independent internal team that provides assurance and advice to all levels of management and elected members on the quality of operations within the Council. We particularly focus on governance, risk management, performance, efficiency and operational and financial control.
- We also provide internal audit services to Countryside Council for Wales (CCW) and North Wales Police (NWP). This Strategy refers primarily to the service provided to Denbighshire County Council.
- Our team is very proactive and innovative, constantly aiming to improve. We have a customer-focused approach to audit planning, project scoping and service delivery, involving elected members, senior management and operational staff.
- Our Internal Audit Assurance Plan links closely to the Council's Governance Assurance Framework, taking account of other assurances that the Council may receive, internal or external, to prevent duplication and co-ordinate regulatory work. It also takes account of discussions with senior management.
- Our work provides a risk-based approach that allows the Head of Internal Audit to form and evidence his opinion on the control environment to support the Council's Annual Governance Statement.

Our main objectives are to...

- provide independent assurance and advice to management and elected members on risk management, governance and internal control;
- develop and promote our role to make a significant contribution to the Council's priority to modernise and deliver efficiencies and improve services for our customers; and
- add value in all areas of our work, providing excellent service to our customers.

Service Delivery

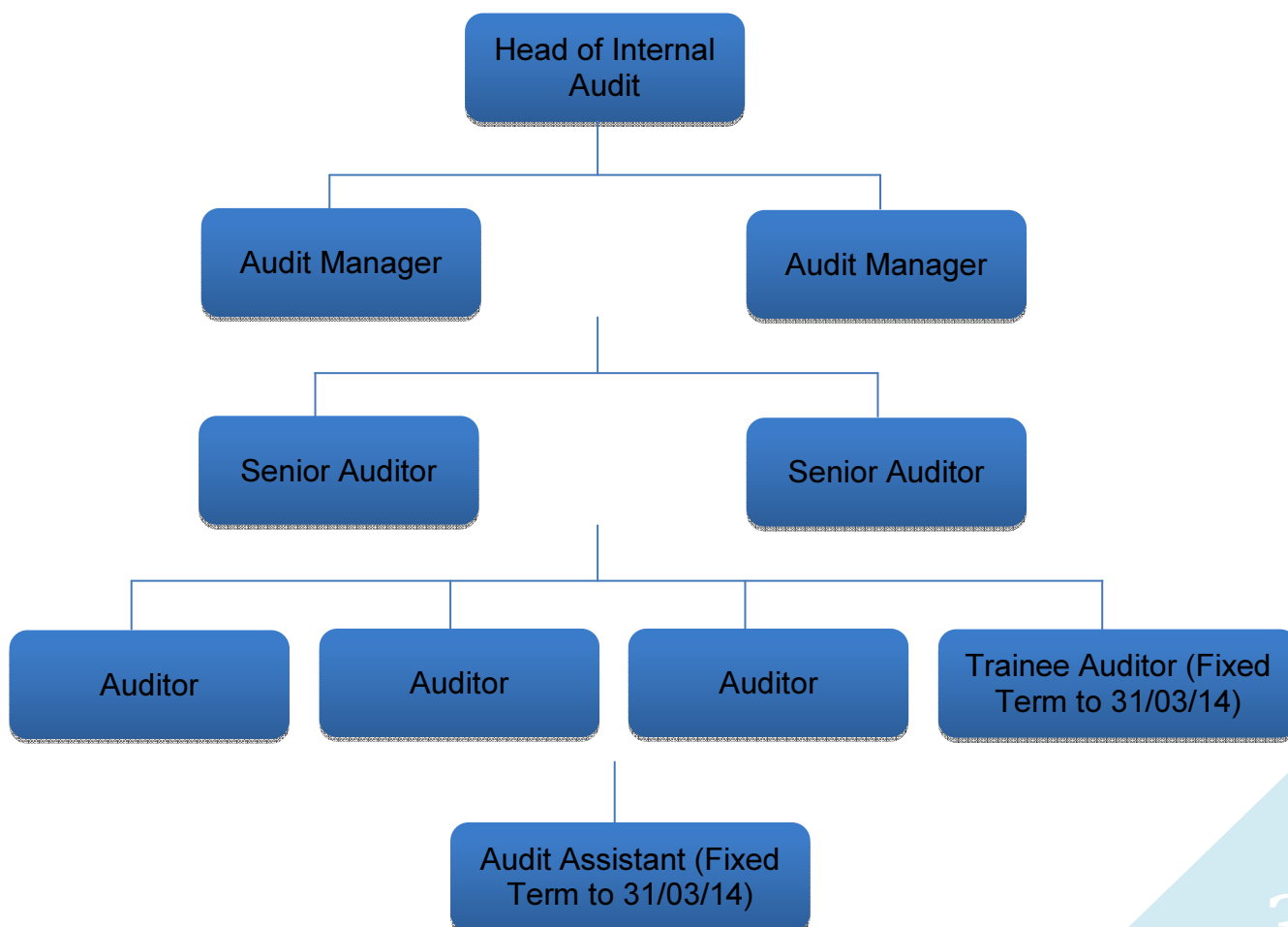
- The following provides an overview of how we plan to spend our time during 2013/14. It shows how we will use our time to gather the necessary evidence to form our overall audit opinion and provide the necessary levels of assurance for the Annual Governance Statement. The Internal Audit Assurance Plan on pages 6-14 provides more detail.

Assurance Strategy 2013/14

ESSENTIAL ASSURANCE (24%)		
Financial Assurance	99 days	<ul style="list-style-type: none"> Financial systems Education grants
Grants & Other Certification	60 days	<ul style="list-style-type: none"> Carbon reduction
Corporate Governance Assurance	349 days	<ul style="list-style-type: none"> Review for Corporate Governance Framework
High Corporate Risks	12 days	<ul style="list-style-type: none"> High risks in Corporate Risk Register
RISK-BASED ASSURANCE (28%)		
Corporate Projects	120 days	<ul style="list-style-type: none"> Cross-cutting projects
Service Operational Assurance	470 days	<ul style="list-style-type: none"> Service reviews agreed with services
EXTERNAL CONTRACTS (14%)		
Countryside Council for Wales	30 days	<ul style="list-style-type: none"> Contract ends 31 July 2013
North Wales Police	225 days	<ul style="list-style-type: none"> Contract ends 31 March 2014
School Funds	40 days	<ul style="list-style-type: none"> On request
CONTINGENCIES (11%)		
Project Follow Up Work	25 days	<ul style="list-style-type: none"> Action plan follow up
Special Investigations & Fraud Prevention	50 days	<ul style="list-style-type: none"> Reactive & proactive fraud work Committee work
Consultancy & Corporate Work	140 days	<ul style="list-style-type: none"> Guidance & advice Research & horizon scanning
IA Collaboration	20 days	<ul style="list-style-type: none"> Internal Audit collaboration work
IA SUPPORT (23%)		
IA Management & Admin	400 days	<ul style="list-style-type: none"> Management & training of IA team
IA Training & Development	100 days	

Capacity & Audit Needs Assessment

- We will have 2,140 days available in 2013/14, excluding leave and bank holidays. Our draft Audit Needs Assessment shows that we would need over 2,500 days to cover all the necessary areas (red and amber risks), leaving a needs gap of nearly 400 days, equivalent to two auditors. The Assurance Plan is risk-based, so includes those areas from the Audit Needs Assessment that have the highest audit risk score to fit within the available 2,140 days.
- Our budget is mainly employee based (90%), and is subsidised by income earned through our external contracts. However, the CCW contract ends on 31 July 2013, as there is to be a merger between CCW, the Forestry Commission Wales and Environment Agency Wales to become Natural Resources Wales (NRW).
- The new NRW Head of Internal Audit has suggested that we may be asked to continue to provide an internal audit service for a temporary period during NRW's transition stage. This will significantly affect this Strategy and will need a realignment of our resources and development of a new Strategy document.
- Our NWP contract ends on 31 March 2014 and the future internal audit requirements following the election of the Police & Crime Commissioner are unknown, but we will be looking to work in partnership with NWP.
- The service structure below has all posts currently filled. Two posts are on fixed term contracts to coincide with the ending of our external contracts.



Performance

- To measure how well we deliver our essential audit work and a customer-focused service, we use following performance measures:

Assurance Measures	Target
Complete financial assurance reviews	100%
Complete grants & other certification assurance	100%
Complete corporate governance assurance reviews	100%
Complete high corporate risk reviews	100%
Customer Service Standards	Target
We will contact you at least 2 weeks in advance to arrange a suitable date for our visit.	100%
We will discuss, agree & send you the Internal Audit Project Scoping Document before we commence work.	100%
At the conclusion of our work, we will hold a closing meeting with all relevant people to discuss the outcome of our work, and then send you a draft report within 10 working days of that meeting.	90%
Once we have agreed the draft report and any actions plan with you, we will send you the final audit report within 5 working days.	90%
We will seek feedback on the review and our service and respond to you with 10 working days explaining any improvements made to our service or, if we have taken no action, explaining the reason.	100%

The Internal Audit Planning Process

- We use a risk-based approach to our audit planning and project work, taking account of the need to provide assurance in key governance areas. The Head of Internal Audit produces an Annual Report to the Corporate Governance Committee that includes an opinion on the Council's corporate governance and risk management arrangements and highlights any key risk areas that require attention. Our risk-based approach and wide-ranging coverage allows us to make a significant contribution to the Council's Corporate Governance Framework and development of its Annual Governance Statement.
- The following Assurance Plan 2013/14 results from an Audit Needs Assessment, adjusted to take account of the internal audit resources available during the year. The days shown against each review area are estimates at this stage and we will agree them when we discuss and finalise the scope of work with the relevant managers. In some instances, we will only be reviewing a specific risk rather than a whole service, which is why some areas of work only show minimal audit days.

Internal Audit Assurance Plan 2013/14

Area of Review	Audit Days	Draft Scope of Work	Reason for Review
Financial Assurance – 99 days (4%)			
Financial systems – Rhyl based	48	<ul style="list-style-type: none"> •Debtors •Revenues •Benefits •Housing rents 	<ul style="list-style-type: none"> •Annual assurance for S151 Officer •High financial impact •High customer impact •AGS evidence of financial controls
Financial systems – Ruthin based	51	<ul style="list-style-type: none"> •Payroll •Creditor payments •Treasury management •Bank reconciliation 	<ul style="list-style-type: none"> •Annual assurance for S151 Officer •High financial impact •High customer impact •AGS evidence of financial controls
Grant & Other Certification Assurance – 60 days (3%)			
Carbon Reduction Commitment (CRC)	5	<ul style="list-style-type: none"> •Follow up of 2012/13 review and action plan 	<ul style="list-style-type: none"> •Annual audit required for CRC compliance
Welsh Government (WG) Education Grant certification	20	<ul style="list-style-type: none"> •Various WG education grants as required 	<ul style="list-style-type: none"> •WG requirement for confirmation of grant condition compliance
WG 6 th Form Funding – Denbigh High School	15	<ul style="list-style-type: none"> •Review of governance, financial & operational management 	<ul style="list-style-type: none"> •WG requirement for confirmation of funding condition compliance
WG 6 th Form Funding – Ysgol Brynhyfryd, Ruthin	15	<ul style="list-style-type: none"> •Review of governance, financial & operational management 	<ul style="list-style-type: none"> •WG requirement for confirmation of funding condition compliance
WG Student Finance certification	5	<ul style="list-style-type: none"> •Overview of processes in accordance with WG guidance, particularly to prevent and detect fraud 	<ul style="list-style-type: none"> •WG requirement for confirmation of funding condition compliance

Area of Review	Audit Days	Draft Scope of Work	Reason for Review
Corporate Governance Assurance – 349 days (16%)			
Strategic arrangements for monitoring and assuring delivery of the Corporate Plan	5	<ul style="list-style-type: none"> •Performance management •Service planning 	<ul style="list-style-type: none"> •Annual Governance Statement evidence •Assurance of delivery of corporate priorities
Reviews in corporate priority areas	115	<ul style="list-style-type: none"> •Various projects within services to ensure delivery of corporate priorities 	<ul style="list-style-type: none"> •Annual Governance Statement evidence •Assurance of delivery of corporate priorities
Contingency for efficiency & modernising reviews e.g. process reviews	44	<ul style="list-style-type: none"> •Review of flexible working •Reviews in Planning & Public Protection •Other reviews on request 	<ul style="list-style-type: none"> •Added value to services •Financial efficiencies •Modernising the Council
Partnerships & collaboration	20	<ul style="list-style-type: none"> •Review sample of partnership/collaboration arrangements e.g. governance, risk management, effectiveness 	<ul style="list-style-type: none"> •AGS evidence
Project management	30	<ul style="list-style-type: none"> •Review of a sample of high-risk projects •Ensure projects well-managed & comply with corporate methodology 	<ul style="list-style-type: none"> •High financial impact •AGS evidence
Procurement	20	<ul style="list-style-type: none"> •Review compliance with legislation, procurement strategy and Council procedures 	<ul style="list-style-type: none"> •High financial impact •AGS evidence
Management of human resources	50	<ul style="list-style-type: none"> •Discipline & difficult situations •Cessation of employment •Agency/relief staff 	<ul style="list-style-type: none"> •AGS evidence
Constitutional arrangements	15	<ul style="list-style-type: none"> •Roles & responsibilities of elected members & senior officers •Scheme of delegation for decision making •Financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) 	<ul style="list-style-type: none"> •AGS evidence

Area of Review	Audit Days	Draft Scope of Work	Reason for Review
Leadership	5	<ul style="list-style-type: none"> •Review outcome of 2013 staff survey 	<ul style="list-style-type: none"> •AGS evidence
Information governance	5	<ul style="list-style-type: none"> •Follow up of previous IA work & progress with information governance project 	<ul style="list-style-type: none"> •AGS evidence
Equality & diversity	20	<ul style="list-style-type: none"> •Staff survey on awareness •Compliance with legislation & Council policy & procedures 	<ul style="list-style-type: none"> •AGS evidence
Corporate Governance Framework	20	<ul style="list-style-type: none"> •Contingency for maintaining Corporate Governance Framework •Meetings of Governance Group •Development of Annual Governance Statement 	<ul style="list-style-type: none"> •AGS evidence
High Corporate Risk Assurance – 12 days (1%)			
The risk that the HR framework does not support the organisation's aims	3	<ul style="list-style-type: none"> •Review management of risk 	<ul style="list-style-type: none"> •High inherent risk in Corporate Risk Register
The risk that the Council cannot influence the collaboration agenda and that further collaboration is forced upon rather than entered into voluntarily	3	<ul style="list-style-type: none"> •Review management of risk 	<ul style="list-style-type: none"> •High inherent risk in Corporate Risk Register
The risk that ICT investment does not deliver the efficiencies and savings required for the Modernisation priority	3	<ul style="list-style-type: none"> •Review management of risk 	<ul style="list-style-type: none"> •High inherent risk in Corporate Risk Register

Area of Review	Audit Days	Draft Scope of Work	Reason for Review
The risk that change/modernisation projects are not implemented as intended, hindering benefit realisation	3	<ul style="list-style-type: none"> Review management of risk 	<ul style="list-style-type: none"> High inherent risk in Corporate Risk Register
Risk-based Assurance – 590 days (28%)			
Corporate Projects			
Corporate health & safety	25	<ul style="list-style-type: none"> Strategic management, training, recording, monitoring, reporting etc Follow up of 2012/13 IA work on fire risk assessments 	<ul style="list-style-type: none"> Changes in service structure Assurance of compliance with legislation & management of risks Assurance of IA action plan implementation
Sickness absence management	25	<ul style="list-style-type: none"> Review arrangements for absence prevention 	<ul style="list-style-type: none"> Council drive to reduce sickness absence Efficiency agenda
Travel cost efficiencies	25	<ul style="list-style-type: none"> Review potential for introducing pool cars 	<ul style="list-style-type: none"> Efficiency agenda to reduce cost of travel
Safeguarding & reviewing	5	<ul style="list-style-type: none"> Progress on Safeguarding Action Plan 	<ul style="list-style-type: none"> Assurance on safeguarding of children & vulnerable people
Welfare advice	20	<ul style="list-style-type: none"> Full review of corporate arrangements Welfare Rights Benefits service Housing service External service providers 	<ul style="list-style-type: none"> No recent IA review Welfare Reform impact Need for joined up approach to provision of advice
Facilities management	20	<ul style="list-style-type: none"> Corporate arrangements for maintaining Council buildings 	<ul style="list-style-type: none"> Assurance that there is a joined up & cost-effective approach to facilities management over the whole Council portfolio of buildings

Area of Review	Audit Days	Draft Scope of Work	Reason for Review
Adult & Business Services			
Improvement & priority areas from self-assessment & CSSIW review	15	<ul style="list-style-type: none"> •Review action plan progress & effectiveness 	<ul style="list-style-type: none"> •Assurance on improvements from regulatory review
Residential care & extra care housing	25	<ul style="list-style-type: none"> •Residential care & extra care facility operation •Strategic approach to and benefits of extra care housing 	<ul style="list-style-type: none"> •No recent IA review •Linked to corporate priority relating to protection of vulnerable people
Children & Family Services			
Improvement & priority areas from self-assessment & CSSIW review	15	<ul style="list-style-type: none"> •Review action plan progress & effectiveness 	<ul style="list-style-type: none"> •Assurance on improvements from regulatory review
Cash payments to clients	15	<ul style="list-style-type: none"> •Review of processes for making cash payments to care leavers 	<ul style="list-style-type: none"> •Head of Service request for assurance
Communication, Marketing & Leisure Services			
Use of management information system in Rhyl Leisure Centre	10	<ul style="list-style-type: none"> •Review impact of increasing use of system in Rhyl Leisure Centre & in service administration areas 	<ul style="list-style-type: none"> •Head of Service request for assurance
Arms length organisations	5	<ul style="list-style-type: none"> •Scope to be agreed with Head of Service 	<ul style="list-style-type: none"> •Assurance of management of key risks
Libraries	5	<ul style="list-style-type: none"> •Review of relevance of CYMAL library standards 	<ul style="list-style-type: none"> •Head of Service request for assurance
Pavilion Theatre, Rhyl	10	<ul style="list-style-type: none"> •Follow up of 2012/13 IA review 	<ul style="list-style-type: none"> •Assurance of IA action plan implementation

Area of Review	Audit Days	Draft Scope of Work	Reason for Review
Customers & Education Support			
Admissions	10	<ul style="list-style-type: none"> •Review of school admission procedures & compliance 	<ul style="list-style-type: none"> •Head of Service request for assurance
Education Services			
School Improvement - themed projects on schools	100	<ul style="list-style-type: none"> •Governance •Security & health & safety •Procurement •School Fund management •Supply Teachers 	<ul style="list-style-type: none"> •New way of focusing on key risk areas in schools •Key outcomes from visiting small sample of schools to be communicated to all schools
Blessed Edward Jones School, Rhyl	15	<ul style="list-style-type: none"> •Review of governance, financial & operational management 	<ul style="list-style-type: none"> •Previous IA review found significant weaknesses •Assurance of improvement in management of school
Special Education	30	<ul style="list-style-type: none"> •Review of governance, financial & operational management 	<ul style="list-style-type: none"> •No recent IA review
Pay & conditions	10	<ul style="list-style-type: none"> •Review of employees' entitlement to Teachers Pay & Conditions 	<ul style="list-style-type: none"> •Head of Service request for assurance
Time off in lieu (TOIL)	10	<ul style="list-style-type: none"> •Review of employees' entitlement to TOIL 	<ul style="list-style-type: none"> •Head of Service request for assurance
Environment & Highways			
Refuse collection	30	<ul style="list-style-type: none"> •Review of domestic refuse collection, including complaints management 	<ul style="list-style-type: none"> •Significant service area •No previous IA review
Waste disposal & recycling	25	<ul style="list-style-type: none"> •Operational review •Review of performance 	<ul style="list-style-type: none"> •Significant service area •No previous IA review

Area of Review	Audit Days	Draft Scope of Work	Reason for Review
School meals service	5	•Management of key risks & viability of service	•Key risk in service risk register
Public conveniences	10	•Cash collection processes & security	•Head of Service request for assurance
Network services	5	•Management of the highways asset performance	•Head of Service request for assurance
Car parking	10	•Cash collection processes & security	•Head of Service request for assurance
Housing & Community Development			
Housing responsive repairs & voids	15	•Revisit measurement of service performance to customer	•IA review identified poor performance in 2012/13 •Provide assurance on service improvement
S106 Agreements	10	•Effective use of S106 monies	•Head of Service request for assurance
Legal & Democratic Services			
Legal services	25	•Full service review •Capacity, organisation & processes	•No recent IA review •Significant support service
Coroners service	20	•Full service review	•No recent IA review •Changes to service delivery
Planning & Public Protection			
Licensing	25	•Taxi driver & vehicle licensing •Safeguarding arrangements	•Follow on from 2012/13 process review •Assurance on improved safeguarding

Area of Review	Audit Days	Draft Scope of Work	Reason for Review
Strategic Human Resources			
Strategic management of HR	5	•Follow up of IA review 2012/13	•Assurance of service improvement & implementation of IA action plan
Business Transformation & ICT			
Involvement in peer review of ICT	10	•Scope to be set by service manager	•Service manager request
External Work – 295 days (14%)			
Countryside Council for Wales	30	•As per agreed schedule of work	•External contract
North Wales Police	225	•As per agreed schedule of work	•External contract
School Fund audits	40	•Sign off audit certificates as requested	•Service request from schools
Contingencies – 235 days (11%)			
Consultancy & corporate areas	120	<ul style="list-style-type: none"> •Reporting to committees, CET & SLT •Project & working group membership •Guidance & advice to services •Research & horizon scanning 	
Follow up reviews	25	•Follow up agreed actions from IA reviews	•Ensure improvements implemented as agreed
IA collaboration	20	•North & Mid-Wales Audit Partnership Board & operational group meetings	

Area of Review	Audit Days	Draft Scope of Work	Reason for Review
IA relationship management	20	<ul style="list-style-type: none"> •IA liaison with services 	<ul style="list-style-type: none"> •Gain knowledge of services, risks, issues etc. •Provide services with IA contact, advice, consultancy etc.
Special investigations & fraud prevention	50	<ul style="list-style-type: none"> •Proactive & reactive fraud work 	<ul style="list-style-type: none"> •Prevent, detect and investigate potential frauds •Provide assurance that fraud risk is well managed
IA Management & Support – 500days (23%)			
Management & administration	400		
IA staff training	100		
TOTAL DAYS	2140		

Report To: Corporate Governance Committee

Date of Meeting: 10 April 2013

Report Author: Head of Internal Audit Services

Title: Internal Audit Progress Report

1. What is the report about?

This report updates the Committee on the latest progress of the Internal Audit service in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement. The information is at 17 March 2013 and the Committee will receive the final outturn position in the Internal Audit Annual Report at its next meeting.

2. What is the reason for making this report?

To bring Members up to date regarding:

- delivery of our Operational Plan for 2012/13
- recent Internal Audit reports issued
- management's response to issues we have raised
- Internal Audit's performance

3. What are the Recommendations?

- Committee considers and comments on Internal Audit's progress and performance to date in 2012/13
- Committee considers and comments on recent Internal Audit reports issued

4. Internal Audit Progress

Delivery of the Internal Audit Operational Plan 2012/13

4.1. Appendix 1 provides a breakdown of our work during 2012/13, compared to the revised Internal Audit Strategy. It includes assurance scores and number of issues raised for the completed reviews, definitions used to form our audit assurance and the ratings used to assess the risk-levels for issues raised.

Summary of Recent Internal Audit Reports

4.2. Our reports use colours for assurance ratings as follows:

Green	High Assurance	Risks and controls well managed
Yellow	Medium Assurance	Risks identified but are containable at service level
Amber	Low Assurance	Risks identified that require meeting with Director/Lead Member
Red	No Assurance	Significant risks identified that require member / officer case conference

4.3. Since my report in February 2013, we have issued the following reports.

Audit Report	Audit Opinion	Issues Raised			Comments
		Critical Risk (Red)	Major Risk (Amber)	Moderate Risk (Yellow)	
Domiciliary Care Package Review	Yellow	0	0	3	None
Project Management - IT Related Projects	Yellow	0	1	4	None

Management's response to issues raised by Internal Audit

- 4.4. Most of our Internal Audit reports identify risks and control weaknesses. We rate these as critical, major or moderate risk. Management agrees actions to address the risks, including responsibilities and timescales.
- 4.5. We report all instances where management fails to respond to our follow up work or where they exceed the agreed implementation date by more than three months. This Committee decides whether it needs to take further action, for example, by calling the relevant people to its next meeting or asking for a written report to explain lack of progress.
- 4.6. We currently have no issues to raise with the Committee.

Internal Audit Performance – Key Measures

Measure - Review 100% of agreed S151 Assurance areas in Operational Audit Plan by 31 March 2013 (3 projects)

4.7. We have completed our work on all three projects, with one draft report to be finalised.

Measure - Review 100% of agreed Corporate Governance Assurance areas in Operational Audit Plan by 31 March 2013 (4 projects)

4.8. We have completed three of the four projects (75%), with the draft report for our review of risk management imminent.

Measure - Review 100% of High Inherent Risks from the Corporate Risk Register by 31 March 2013 (6 risks)

4.9. We have completed work on all six risks.

Appendix 1

Internal Audit Work 2012/13 – progress as at 17 March 2013

Internal Audit Operational Plan	Revised Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Financial Assurance								
Financial Systems – Rhyl based	40	38	Complete	Green	0	0	4	
Financial Systems – Ruthin based	30	42	Draft report					Revised scope to 40 days to include purchasing cards
Financial Systems Assurance Testing (IDEA) 2011-12	20	20	Complete	Green	0	0	0	
Sub-totals	90	100						
Grant & Other Certification Assurance								
Sustainability/Climate Change	20	27	Complete	Yellow	0	0	4	
Welsh Government (WG) Education Grant Certification								
- Breakfast initiative Grant	20	4	Complete	Green	0	0	0	
- Thinking & Assessment for Learning Grant		11	In progress					
WG 6 th Form Funding – Ysgol Dinas Bran, Llangollen	12	12	Complete	Green	0	0	2	
WG Student Finance Certification	6	6	Complete	Green	0	0	1	
WG Adult Education Certification	9	9	Complete	Green	0	0	0	
Sub-totals	67	69						

Internal Audit Operational Plan	Revised Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Corporate Governance Assurance								
Risk Management	20	13	In progress					Draft report imminent
Corporate Governance Framework	30	20	In progress					Draft Annual Governance Statement produced
Corporate Performance Management	10	11	Complete	Yellow	0	0	5	
Equalities	15	8	Complete					Staff awareness survey only
Sub-totals	75	52						
High Corporate Risk Assurance								
The risk of a serious safeguarding error where the Council has responsibility	15	14	Complete					No report issued. Process review in taxi licensing.
The risk that we are unable to develop the staff and management capability to deliver the change agenda	5	4	Complete	Green	0	0	0	
The risk that the time and effort invested in collaboration is disproportionate to the benefits realised	15	9	Draft report					
The risk that the economic environment worsens beyond current expectations, leading to additional demand on services and reduced income	5	3	Complete	Green	0	0	0	
The risk that strategic ICT infrastructure does not enable improvement and support change	10	2	Complete	Green	0	0	0	

Internal Audit Operational Plan	Revised Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
The risk that our asset portfolio becomes an unmanageable liability and an obstacle to strategic planning	4	4	Complete	Green	0	0	0	
Sub-totals	54	36						
Adult Services								
Direct Care Costs & Placements	15	19	Complete	Yellow	0	0	3	
Efficiency of Charging Processes	20	14	In progress					
Sub-totals	35	33						
Children's Services								
Out of County Placements	10	0	Cancelled					Agreed with Head of Service that review not needed as risk reduced
Fostering Service	15	2	Preparation					Will commence and be carried forward into 2013/14
Youth Offending Team	12	0	Cancelled					Cancelled as partnership arrangement to be audited by CCBC
Lone Working Practices	5	5	Complete					Staff survey only
Sub-totals	42	7						
Customers & Education Support								
Cashiers Services	5	1	Complete					New software project team
Modernising Education	10	2	In progress					
Sub-totals	15	3						

Internal Audit Operational Plan	Revised Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Education Services								
School Improvement	30							
- School Balances		5	Complete					Report for Performance Scrutiny Committee
- Travel costs		11	Complete					No report issued. Head of Service request for analysis.
Ysgol Clawdd Offa, Prestatyn		16	Draft report					
Rhyl High School	15	15	Complete	Yellow	0	0	4	
Sub-totals	45	47						
Environment								
Trade Refuse	26	27	Complete	Yellow	0	0	5	
Sign Shop	20	0	Cancelled					Review cancelled as risk level reconsidered as low
Countryside Services	25	1	Preparation					Will commence and be carried forward into 2013/14
Public Realm	45	43	Complete	Yellow	0	2	12	
Corporate Health & Safety - Fire Risk Assessments	10	12	Complete	Amber	0	2	1	
Sub-totals	126	83						
Finance & Property								
Travel & Subsistence	25	25	Complete					
Procurement & Property Management	35	1	Preparation					Project developed to span 2012/13 & 2013/14
Sub-totals	60	26						

Internal Audit Operational Plan	Revised Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Highways & Infrastructure								
Business Continuity Planning	2	2	Complete	Amber	0	1	0	
Winter Maintenance	20	24	Draft report					
Flood Risk Management	10	0	Not started					Await outcome of consultant report
Major Projects	2	2	Complete					Completion of 2011/12 project
Home to School Transport	21	21	Complete	Yellow	1	2	10	
Sub-totals	55	49						
Housing & Community Development								
Housing Services	20	21	In progress					
Strategic Regeneration	25	5	In progress					On-going project monitoring
Housing Maintenance	21	21	Complete	Red	2	9	8	
Sub-totals	66	47						
Legal & Democratic Services								
Democratic Services	3	0	Cancelled					Work on Whistleblowing & Anti-Fraud policies being completed within the service
Translation Service	11	11	Complete	Yellow	0	1	1	Project arising from Service Challenge
Sub-totals	14	11						
Communication, Marketing & Leisure								
Leisure Services	1	0	Not started					Risk reduced - no work necessary

Internal Audit Operational Plan	Revised Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Community Buildings - Rhyl Town Hall	6	6	Complete	Yellow	0	0	10	
Pavilion Theatre, Rhyl	47	47	Complete	Amber	3	2	8	
Leisure Centres	1	0	Cancelled					Risk reduced - no work necessary
Integrated Children's Centres	15	24	Draft report					
Sub-totals	70	77						
Planning & Public Protection								
Contingency for input to Public Protection service reorganisation	10	0	As requested					Agreed with Head of Service to programme in IA Strategy 2013/14
Sub-totals	10	0						
Strategic Human Resources								
Strategic HR	19	19	Complete	Amber	0	1	10	
Sub-totals	19	19						
ICT & Business Transformation								
IT Service Desk, Incident & Problem Management	20	0	Postponed					Will commence April 2013 due to pressures in ICT service
IT Service Continuity Management	1	1	Complete					
IT Operations Management	22	21	Complete	Yellow	0	1	7	
IT Project Management	20	22	Complete	Yellow	0	1	4	
Sub-totals	63	44						
Corporate Areas of Work								
Data Protection & FOI	35	34	Complete	Amber	0	4	3	

Internal Audit Operational Plan	Revised Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Relief, Casual & Agency Staff	15	21	In progress					Further detailed work in IA Strategy 2013/14
Consultant payments	10	18	In progress					
Programme & Project Management	15	9	Complete					On-going monitoring of key projects
Sub-totals	75	82						
External Contract Work								
Countryside Council for Wales	165	193	In progress					Additional work requested on investigation
North Wales Police Authority	210	183	In progress					
School Fund Audits	35	47	In progress					
Sub-totals	410	423						
Other Areas of Work & Contingencies								
Consultancy & Corporate Work	140	122	In progress					
Follow up reviews	50	51	Complete					
IA collaboration	20	14	In progress					
Frauds & Investigations	50	13						
-National Fraud Initiative		12	In progress					
-Purchasing Cards		2	Complete					
-Ysgol Clawdd Offa		8	Complete					
Corporate Priorities & Efficiencies Work	25	22	Complete					
Sub-totals	285	244						

Internal Audit Operational Plan	Revised Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
IA Support								
Management & Admin	380	377						
Training	90	157						
Sub-totals	470	534						
Grand Totals	2146	1986						

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Report To: Corporate Governance Committee

Date of Meeting: 10 April 2013

Report Author: Head of Internal Audit Services

Title: Internal Audit Charter

1. What is the report about?

This report introduces the revised Internal Audit Charter. This is a brief covering report, as all necessary information is included in the Charter itself.

2. What is the reason for making this report?

The current Internal Audit Charter was produced in 2010 in line with the Institute of Internal Auditors professional standards. The new Public Sector Internal Audit Standards came into force on 1 April 2013, therefore this Committee needs to approve a revised Charter that complies with the requirements of the new Standards.

3. What are the Recommendations?

Committee approves the revised Internal Audit Charter.

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Internal Audit Charter

**Ivan Butler MBA, CMIIA
Head of Internal Audit Services**

April 2013

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Background to the Internal Audit Charter

- The Public Sector Internal Audit Standards define the nature of, and set out basic principles for, internal auditing in the UK public sector. The Standards require the purpose, authority and responsibility of the internal audit activity to be formally defined in an internal audit charter.
- The Standards use generic terms, which this Charter defines as:

Standards	Denbighshire County Council
Chief Audit Executive	Head of Internal Audit Services
Senior management	Chief Executive Officer (CEO)
The Board	Corporate Governance Committee

- The Head of Internal Audit Services must develop and maintain an up to date Internal Audit Charter that establishes:

Internal Audit's purpose and position within the organisation;

the nature of the Head of Internal Audit's functional reporting relationship with the CEO and Corporate Governance Committee;

authorisation to access records, personnel and physical properties relevant to the performance of Internal Audit's work;

the scope of Internal Audit's activities, including the nature of assurance services, consultancy services provided and its involvement in any fraud-related work;

arrangements for appropriate resourcing of the Internal Audit service;

and

arrangements for avoiding conflicts of interest if Internal Audit undertakes any non-audit activities.

- Final approval of the Internal Audit Charter rests with the Corporate Governance Committee.

Internal Audit in Denbighshire County Council

Definition of Denbighshire County Council's Internal Audit Service

The Internal Audit Service is an independent internal team that provides assurance and advice to all levels of management and elected members on the quality of operations within the Council. We particularly focus on governance, risk management, performance, efficiency and operational and financial control.

- Internal audit is one of the cornerstones of effective governance. Through our annual internal audit opinion and other reports, we give assurance to elected members and management, highlighting areas for improvement.
- Our role is a unique one, providing effective challenge and acting as a catalyst for positive change and continual improvement in governance in all its aspects. Our role is particularly important when the Council is facing uncertain and challenging times.

Our main objectives are to...

- provide independent assurance and advice to management and elected members on risk management, governance and internal control;
- develop and promote our role to make a significant contribution to the Council's priority to modernise and deliver efficiencies and improve services for our customers; and
- add value in all areas of our work, providing excellent service to our customers.

The Head of Internal Audit's reporting lines

- Although reporting to the Head of Finance & Assets, the Head of Internal Audit also has direct access to the Chief Executive, Cabinet, Corporate Governance Committee and Scrutiny Committees.
- The extended reporting lines provide Internal Audit with sufficient independence of the activities that it reviews to enable our auditors to perform their duties objectively, allowing us to make impartial and effective professional judgements and recommendations.
- The Head of Finance & Assets annually appraises the Head of Internal Audit's performance with input and feedback from the CEO and Chair of the Corporate Governance Committee. This ensures that the Head of Internal Audit's opinion and scope of work cannot be limited or affected by his functional line management position within the Council.

Internal Audit's access rights

- The Council's Financial Regulations provide the Internal Audit with authority to:

access Council premises at reasonable times;

access all assets, records, documents, correspondence and systems;

receive any information and explanation considered necessary concerning any matter made under consideration;

require any employee of the Council to account for cash or any other Council asset under his or her control; and

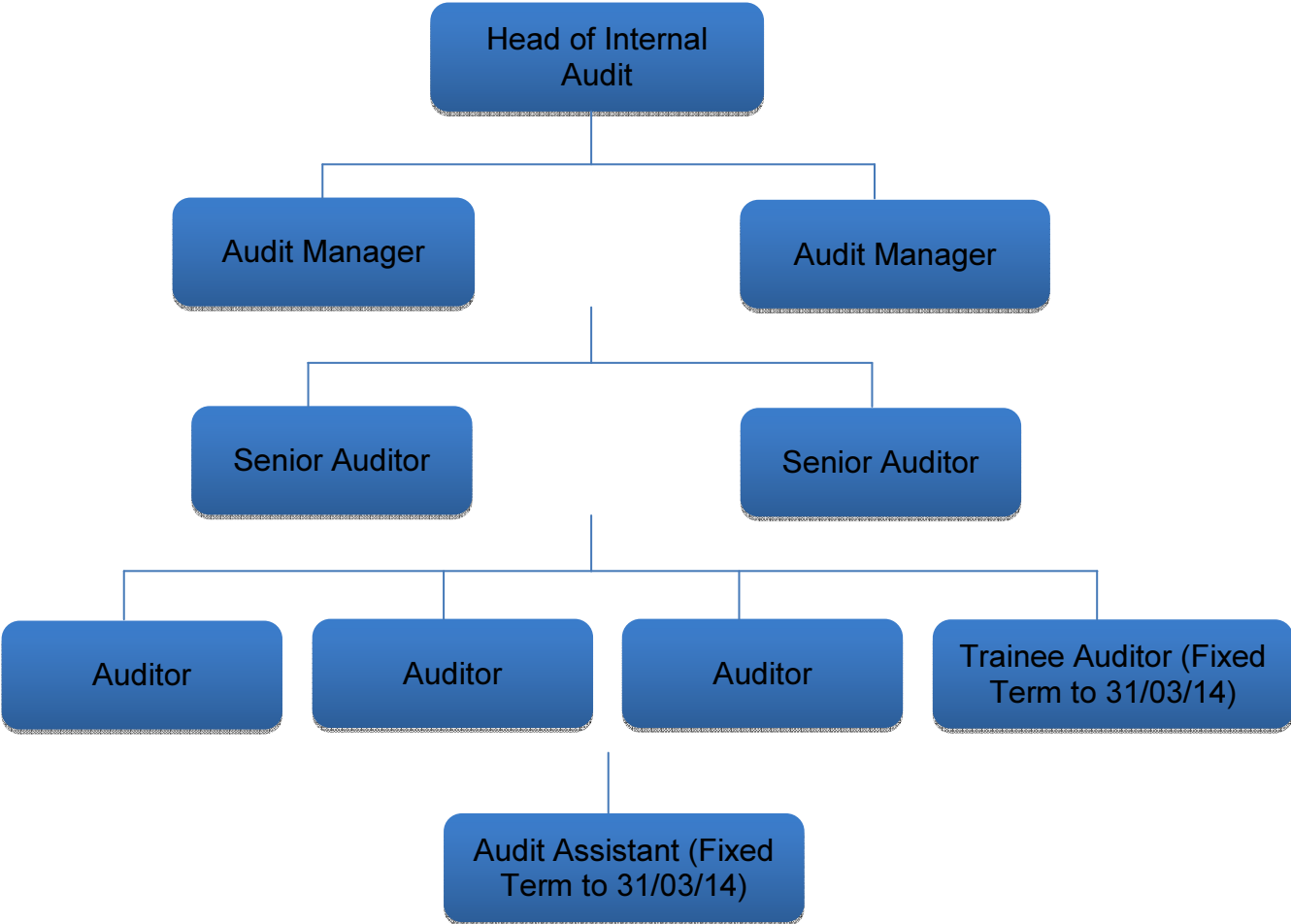
access records belonging to third parties, such as contractors, when required.

The scope of Internal Audit's work

- The Internal Audit service is very proactive and innovative, constantly aiming to improve. We have a customer-focused approach to audit planning, project scoping and service delivery, involving elected members, senior management and operational staff.
- Our Internal Audit Assurance Plan links closely to the Council's Governance Assurance Framework, taking account of other assurances that the Council may receive, internal or external, to prevent duplication and co-ordinate regulatory work. It also takes account of discussions with senior management.
- Our work provides a risk-based approach that allows the Head of Internal Audit to form and evidence his opinion on the control environment to support the Council's Annual Governance Statement.
- Internal Audit is not responsible for managing the risk of fraud or carrying out investigations into alleged fraud; however, the Council's Financial Regulations and investigation procedures require notification to the Head of Internal Audit of any suspected fraud so that he can decide on an appropriate course of action.
- Internal Audit has no responsibility for providing any other services within the Council but, we occasionally provide guidance and advice e.g. on new systems or may help to develop new processes using our specific skills. On these occasions we are working on a consultancy basis rather than internal audit basis and are careful to ensure that services are aware of this and that we are not necessarily giving audit assurance on these occasions.

Internal Audit's resources

- Internal Audit also provides a service to North Wales Police and Natural Resources Wales. Our budget is mainly employee based (90%), and is subsidised by income earned through our external contracts.
- The service structure below has all posts currently filled. Two posts are on fixed term contracts to coincide with the ending of our external contracts.
- We have a well-qualified and experienced team, mainly following the Chartered Institute of Internal Auditors (CMIIA) qualification route.



Internal Audit's responsibilities

All internal auditors must...

- work with others to promote and demonstrate the benefits of good governance throughout the Council;
- promote the highest standards and ethics across the Council based on integrity, objectivity, competence and confidentiality;
- exercise sound judgement in identifying weaknesses in the Council's control environment and provide a balanced view on how significant these are;
- be committed to continuous improvement;
- demonstrate integrity;
- report on what is found, without fear or favour;
- give clear, professional and objective advice; and
- hold an appropriate qualification and have an active programme for personal professional development.

In addition, the Head of Internal Audit must...

- be a senior manager with regular and open engagement across the Council, particularly with the leadership team and the Corporate Governance Committee;
- be suitably qualified and experienced;
- give assurance on the control environment, including risk and information management and internal controls across the Council;
- produce an evidence-based annual internal audit opinion on the Council's control environment, reflecting the work done during the year and summarising the main findings and conclusions, highlighting any specific concerns;
- liaise closely with the Council's external regulators to share knowledge and use audit resources most effectively;
- determine the resources, expertise, qualifications and systems for the internal audit service that are required to meet its objectives and provide an annual audit opinion; and
- adhere to and ensure internal audit service compliance with professional internal audit standards.

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CORPORATE GOVERNANCE COMMITTEE: FORWARD WORK PROGRAMME

DATE OF MEETING	REPORT	AUTHOR
22 May 2013	<p>Standing Items</p> <p>Issues Referred by Scrutiny Committees Recent External Regulatory Reports Received Internal Audit Progress Report</p> <p>Reports</p> <p>Draft Annual Governance Statement 2012/13 Internal Audit Annual Report 2012/13 Committee Self-Assessment (presentation of findings) Annual Improvement Report</p>	<p>Scrutiny Coordinator Corporate Improvement Manager Head of Internal Audit Services</p> <p>Head of Internal Audit Head of Internal Audit Head of Internal Audit Corporate Improvement Manager</p>

NB The exact date of publication of occasional reports by for example Wales Audit Office or Annual Reports by the Ombudsman are not presently known. They will be assigned a meeting date as soon as practicable.

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