

At: Aelodau'r Pwyllgor Llywodraethu  
Corfforaethol

Dyddiad: Dydd Mawrth, 18 Mawrth  
2014

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Annwyl Gynghorydd

Fe'ch gwahoddir i fynychu cyfarfod y **PWYLLGOR LLYWODRAETHU CORFFORAETHOL, DYDD MERCHER, 26 MAWRTH 2014** am **9.30 am** yn **YSTAFELL BWYLLGORA 1A, NEUADD Y SIR, RHUTHUN.**

Yn gywir iawn

G Williams  
Pennaeth Gwasanaethau Cyfreithiol a Democraidaidd

## AGENDA

### RHAN 1 – GWAHODDIR Y WASG A'R CYHOEDD I'R RHAN HON O'R CYFARFOD

#### 1 YMDDIHEURIADAU

#### 2 DATGANIADAU O FUDDIANT

Aelodau i ddatgan unrhyw gysylltiad personol neu sy'n rhagfarnu mewn unrhyw fusnes a nodwyd i'w hystyried yn y cyfarfod hwn.

#### 3 MATERION BRYD

Hysbysiad o eitemau y dylid, ym marn y Cadeirydd, eu hystyried yn y cyfarfod fel materion brys dan Adran 100B(4) Deddf Llywodraeth Leol 1972.

- 4 COFNODION** (Tudalennau 5 - 12)  
Derbyn cofnodion cyfarfod y Pwyllgor Llywodraethu Corfforaethol a gynhaliwyd ar 29 Ionawr 2014.
- 5 ADRODDIAD ARCHWILIO MEWNOL** (Tudalennau 13 - 24)  
Ystyried adroddiad gan Bennaeth y Gwasanaeth Archwilio Mewnol (copi ynghlwm) sy'n cyflwyno'r Adroddiad Archwilio Mewnol diwygiedig.
- 6 DRAFFT O'R ADRODDIAD STRATEGAETH ARCHWILIO MEWNOL**  
(Tudalennau 25 - 32)  
Ystyried adroddiad gan Bennaeth y Gwasanaeth Archwilio Mewnol (copi ynghlwm) sy'n cyflwyno drafft o'r strategaeth Gwasanaeth Archwilio Mewnol 2014-15.
- 7 ADRODDIAD CYNNYDD ARCHWILIAD MEWNOL** (Tudalennau 33 - 70)  
Ystyried adroddiad gan y Pennaeth Archwilio Mewnol (copi ynghlwm) sy'n rhoi'r wybodaeth ddiweddaraf am gynnydd yr Archwiliad Mewnol o ran cyflenwi gwasanaeth, darparu sicrwydd, adolygiadau a gwblhawyd, perfformiad ac effeithiolrwydd o ran gwelliannau.
- 8 AMLINELLIAD O ARCHWILIAD ARIANNOL BLYNYDDOL 2013/14 - HYSBYSIAD O ARDYSTIAD O GYFRIFON 2012/13** (Tudalennau 71 - 74)  
Ystyried adroddiad gan y Pennaeth Cyllid ac Asedau (copi ynghlwm) a oedd yn darparu hysbysiad ffurfiol fod y broses ardystio archwiliad ar gyfer Datganiad Cyfrifon 2012/13 wedi'i gwblhau.
- 9 CYFLWYNO LLYWODRAETHU DA A GWELLIANT PARHAUS**  
(Tudalennau 75 - 94)  
Ystyried adroddiad gan y Pennaeth Busnes, Cynllunio a Pherfformiad (copi ynghlwm) ar hunan-asesu trefniadau llywodraethu a gwelliant y Cyngor ar gyfer 2013-14.
- 10 CYNRYCHIOLAETH AELODAU AR GYRFF ALLANOL - DIWEDDARIAD**  
Ystyried adroddiad gan y Pennaeth Gwasanaethau Cyfreithiol a Democrataidd (copi ynghlwm) o gynrychiolwyr Aelodau ar gyrff allanol.
- 11 RHAGLEN WAITH Y PWYLLGOR LLYWODRAETHU CORFFORAETHOL**  
(Tudalennau 95 - 100)  
Ystyried Rhaglen Waith i'r Dyfodol y Pwyllgor (copi ynghlwm).

## **AELODAETH**

### **Y Cynghorwyr**

Brian Blakeley  
Stuart Davies  
Peter Duffy

Martyn Holland  
Gwyneth Kensler  
Jason McLellan

### **Aelod Lleyg**

Paul Whitham

### **COPIAU I'R:**

Holl Gynghorwyr er gwybodaeth  
Y Wasg a'r Llyfrgelloedd  
Cyngorau Tref a Chymuned

Mae tudalen hwn yn fwriadol wag

## PWYLLGOR LLYWODRAETHU CORFFORAETHOL

Cofnodion cyfarfod o'r Pwyllgor Llywodraethu Corfforaethol a gynhaliwyd yn Ystafell Bwyllgora 1a, Neuadd y Sir, Rhuthun, Dydd Mercher, 29 Ionawr 2014 am 9.30 am.

### YN BRESENNOL

Y Cyngorwyr Stuart Davies, Peter Duffy, Martyn Holland, Gwyneth Kensler (Is-Gadeirydd) a/ac Jason McLellan (Cadeirydd)

Cyngorwyr Huw Jones, Aelod Arweiniol Twristiaeth, Ieuenctid a Hamdden a Barbara Smith, Aelod Arweiniol Moderneiddio a Pherfformiad.

### HEFYD YN BRESENNOL

Cyfarwyddwr Corfforaethol: Moderneiddio a Lles (SE), Pennaeth Gwasanaethau Cyfreithiol a Democrataidd (GW), Pennaeth Cyfathrebu, Marchnata a Hamdden (JG), Swyddog Arweiniol, Busnes a Pherfformiad (AMc), Pennaeth Archwilio Mewnol (IB), Rheolwr Archwilio (BS), Prif Gyfrifydd (RW), Cyfrifydd Technegol (RIJ), Rheolwr Gwybodaeth Gorfforaethol (CB), Dirprwy Swyddog Monitro (LJ), Pennaeth AD Strategol (LA) a Gweinyddwr Pwyllgorau (SLW).

#### 1 YMDDIHEURIADAU

Derbyniwyd ymddiheuriadau am absenoldeb oddi wrth y Cyngorwr(wyr) Brian Blakeley

Cafwyd ymddiheuriadau hefyd oddi wrth y Cyngorydd Julian Thompson-Hill, yr Aelod Arweiniol Cyllid ac Asedau.

Agorodd y Cadeirydd, y Cyngorydd Jason McLellan, y cyfarfod drwy ddiolch i'r Pennaeth Archwilio Mewnol am gyflwyniad y cwrs a gynhaliwyd y diwrnod cynt. Diolchodd y Cyngorydd McLellan hefyd i'r aelodau fu'n bresennol. Cafwyd adborth cadarnhaol yn dilyn y cwrs.

#### 2 DATGAN CYSYLLTIAD

Datganodd y Cadeirydd, y Cyngorydd Jason McLellan, gysylltiad personol ag Eitem 14 ar yr Agenda – Dyfodol Hamdden Clwyd.

#### 3 MATERION BRYD

Dim eitemau bryd.

#### 4 COFNODION

Cyflwynwyd cofnodion cyfarfod y Pwyllgor Llywodraethu Corfforaethol a gynhaliwyd ar 18 Rhagfyr 2013.

**PENDERFYNWYD** derbyn a chymeradwyo bod cofnodion cyfarfod y Pwyllgor Llywodraethu Corfforaethol a gynhaliwyd ar 18 Rhagfyr 2013 yn gywir.

Cytunodd y Cadeirydd i newid trefn yr Agenda a gyhoeddwyd yn wreiddiol.

## **5 CYTUNDEB SETLIAD - DIWEDDARIAD**

Cyflwynodd y Cyngorydd Barbara Smith, Aelod Arweiniol Moderneiddio a Pherfformiad, Adroddiad Diweddarau'r Cytundeb Setliad (a gylchredwyd yn flaenorol) a roddai i'r Aelodau fanylion yr adolygiad a gynhaliwyd yn ddiweddar gan yr Adran Archwilio.

Nid oedd gan y Cyngor unrhyw bolisi na chod ymarfer ffurfiol er mwyn ymdrin ag achosion. Nid oedd ychwaith unrhyw drefnau ffurfiol i'w dilyn er mwyn sicrhau bod y Cyngor yn gyson, yn deg ac yn agored, nac i ddarparu achos busnes ar gyfer pob cytundeb.

Roedd proses ddrafft wedi cael ei datblygu a oedd yn mynd i'r afael â'r pryderon a godwyd yn ystod yr adolygiad archwilio.

Cytunwyd y dylid cyflwyno'r ffigurau diweddaraf gerbron y Pwyllgor Llywodraethu Corfforaethol bob blwyddyn. Awgrymodd cynrychiolydd Swyddfa Archwilio Cymru y dylid cyflwyno'r ffigurau gerbron y Pwyllgor Llywodraethu Corfforaethol ym mis Mehefin bob blwyddyn.

**PENDERFYNWYD** y dylai Aelodau'r Pwyllgor Llywodraethu Corfforaethol nodi a chytuno ar gynnwys Adroddiad Awdurdodi'r Cytundeb Setliad.

## **6 DATGANIAD STRATEGAETH RHEOLI'R TRYSORLYS 2014/15 A DIWEDDARIAD**

Cyflwynodd y Prif Gyfrifydd Ddatganiad Strategaeth Rheoli'r Trysorlys (DSRhT) 2014/15 a Diweddariad (cylchredwyd yn flaenorol)

Roedd y DSRhT yn dangos sut y byddai'r Cyngor yn rheoli ei fuddsoddiadau a'i fenthyciadau ar gyfer y flwyddyn i ddod ac yn pennu'r polisïau y byddai'r swyddogaeth Rheoli Trysorlys yn gweithredu'n unol â hwy. Amlinellai'r adroddiad hefyd effaith debygol y Cynllun Corfforaethol ar y strategaeth ac ar y Dangosyddion Darbodus.

Darparai'r Adroddiad Diweddarau Rheoli Trysorlys fanylion am weithgarwch Rheoli Trysorlys y Cyngor yn ystod 2013/14.

Roedd Cod Ymarfer y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth ar Reoli Trysorlys, yn ei gwneud hi'n ofynnol i'r Cyngor gymeradwyo'r DSRhT a'r Dangosyddion Darbodus yn flynyddol.

Gynhaliwyd trafodaeth, a chyfeiriwyd at yr Adeilad PFI yn Rhuthun.

Roedd y Fenter Cyllid Preifat yn drefniant costus yn y tymor hir, ac wedi'i hariannu drwy grant. Ar hyd oes y contract, byddai cyfraniadau Cyngor Sir Ddinbych yn cynyddu.

Roedd y Pennaeth Gwasanaethau Cyfreithiol a Democrataidd wedi craffu ar Gytundeb y Fenter a oedd yn hynod gymhleth, ac a oedd yn cynnwys cymalau maith ynghylch terfynu. Byddai cyngor arbenigol yn cael ei geisio yn y dyfodol er mwyn ymdrin â'r Cytundeb.

Gofynnodd y Cyngorydd Peter Duffy am wybodaeth am fenthyciadau hirdymor o'r gorffennol e.e. ar gyfer beth yr oeddynt, a faint o amser oedd ar ôl ar y telerau hynny. Cytunodd y Prif Gyfrifydd i anfon yr wybodaeth hon.

**PENDERFYNWYD** – y dylai'r Pwyllgor Llywodraethu Corfforaethol nodi:-

- (a) Adolygiadau'r Datganiad Strategol ar Reoli'r Trysorlys ar gyfer 2014/15 a Dangosyddion Darbodus 2014/15, 2015/16 a 2016/17, a
- (b) Adroddiad diweddar Rheoli'r Trysorlys.

## **7 STRATEGAETH POBL 2011/14 – ADRODDIAD CAU**

Cyflwynodd y Cyfarwyddwr Corfforaethol: Moderneiddio a Lles (CC: MaLI) y Strategaeth Pobl 2011-2014 – Adroddiad Cau (a gylchredwyd yn flaenorol). Disgrifiai'r adroddiad y cynnydd a gafwyd wrth gyflawni yn erbyn y Strategaeth Pobl, gan nodi materion a oedd yn weddill ac argymell y camau nesaf.

Er bod themâu allweddol yn y Strategaeth yn dal i fod yr un peth, roedd y cynllun gweithredu wedi esblygu dros amser i ystyried newidiadau sylweddol. Roedd y newidiadau hyn wedi cynnwys:

- Y Cyngor newydd a ddaeth i mewn yn 2012 ynghyd â chytundeb ar flaenoriaethau corfforaethol newydd a'r Cynllun Corfforaethol
- Y pwyslais llai ar gydweithio
- Materion capasiti yn deillio o'r angen i roi sylw ar frys i weithrediadau beunyddiol yn yr Adran Adnoddau Dynol – a arweiniodd at ddatblygu'r Cynllun Gwella AD
- Safbwynt yr Uwch Dîm Arweinyddiaeth fod angen cael mwy o ffocws i'r cynllun gweithredu, a bod angen iddo fod yn fyrrach.

Cytunodd y CC: MaLI i roi trosolwg i'r Aelodau o'r ymatebion i Arolygon Staff 2011-2013.

Roedd y rhan fwyaf o'r gweithgareddau allweddol wedi'u cyflawni. Fodd bynnag, wrth arfarnu cynnydd yn erbyn yr amcanion a bennwyd byddai angen rhoi sylw parhaus i rai materion er mwyn symud ymlaen â gwaith AD strategol. Dyma'r materion hynny:

- Trefniadau clir ar gyfer gwerthuso ansawdd ac effaith gwaith a rhaglenni AD strategol. Roedd enghreifftiau penodol yn cynnwys yr angen i werthuso

effeithiolrwydd systemau cymorth presennol AD, gan gynnwys canllawiau AD ar y Fewnrwyd a'r Cynllun Hyfforddi Corfforaethol. Byddai'r gwaith hwn yn cael ei drafod yn rhan o'r Cynllun Busnes AD.

- Pa mor hir yr oedd hi'n cymryd i gytuno ar bolisïau ac arferion gwaith newydd, a sicrhau eu bod wedi'u hymwreiddio. Roedd enghreifftiau'n cynnwys cydymffurfio â'r Polisi Geirdaon a byddai'n cynnwys y Polisi Presenoldeb newydd a pholisïau/canllawiau sy'n cefnogi gweithio symudol. Roedd materion cyffredinol i'w hystyried yn gysylltiedig â'r Cynllun Busnes AD. Yn ychwanegol at hyn, byddai'r Uwch Dîm Arweinyddiaeth yn parhau i sicrhau bod y Polisi Presenoldeb newydd yn cael ei roi ar waith ar ôl cytuno arno, a'r Bwrdd Moderneiddio yn cadw golwg ar bolisïau/canllawiau sy'n ymwneud ag oriau hyblyg a gweithredu hynny mewn modd effeithiol.
- Systemau effeithiol ar gyfer rhannu gwersi a ddysgwyd a'u cymhwyso i feysydd gwaith newydd. Y brif enghraifft oedd ymdrechion i hyrwyddo rheolaeth effeithiol ar newid. O ystyried maint y newidiadau sy'n deillio o arbedion effeithlonrwydd, a goblygiadau posib adolygiad Williams, byddai'r Uwch Dîm Arweinyddiaeth yn parhau i ganolbwyntio'n sylweddol ar sicrhau mwy o gysondeb wrth gyflwyno newid mewn modd effeithiol.

**PENDERFYNWYD** y dylai'r Pwyllgor Llywodraethu Corfforaethol nodi:

- (i) Y cynnydd a gafwyd a'r trefniadau i sicrhau sylw parhaus i'r agweddau sy'n weddill

*Bod y gwaith cwmpasu'n cael ei gwblhau er mwyn pennu'r heriau strategol o ran AD a wynebir gan y Cyngor yn ystod 2014/17.*

## **8 STRATEGAETH RHEOLI GWYBODAETH – RHAGLEN WAITH I'R DYFODOL**

Cyflwynodd y Rheolwr Gwybodaeth Gorfforaethol y Strategaeth Rheoli Gwybodaeth – Rhaglen Waith i'r Dyfodol (cylchredwyd yn flaenorol).

Roedd Strategaeth Rheoli Gwybodaeth newydd y Cyngor wedi cael ei chyflwyno'n flaenorol gerbron y Pwyllgor Llywodraethu Corfforaethol ar 18 Rhagfyr 2013. Roedd y Pwyllgor wedi cydnabod bod angen Strategaeth o'r fath ac wedi gofyn am gael cyflwyno Rhaglen Waith i'r Dyfodol gerbron y cyfarfod hwn er mwyn gweithredu'r Strategaeth.

Cynhaliwyd trafodaeth gyffredinol wrth i'r Rheolwr Gwybodaeth Gorfforaethol egluro'r Rhaglen Waith i'r Dyfodol.

Byddai digwyddiad hyfforddi'n cael ei gynnal ar 21 Chwefror 2014 o dan y teitl hyfforddiant Mynediad at Wybodaeth.

**PENDERFYNWYD** y dylai'r Pwyllgor Llywodraethu Corfforaethol:

- (i) Nodi'r Rhaglen Waith i'r Dyfodol

*Cytuno bod diweddariad am gynnydd a wnaed wrth weithredu'r Strategaeth Rheoli Gwybodaeth yn cael ei gyflwyno gerbron y Pwyllgor mewn chwe mis, a phob blwyddyn wedi hynny.*

**Yn y fan hon (11.15 a.m.), cafwyd egwyl o 15 munud.**

**Ailgynullwyd y Pwyllgor am 11.30 a.m.**

## **9 DEDDF RHEOLEIDDIO PWERAU YMCHWILIO 2000**

Cyflwynodd y Dirprwy Swyddog Monitro adroddiad blynyddol Deddf Rheoleiddio Pwerau Ymchwilio (DRhPY) 2000 (a gylchredwyd yn flaenorol) er mwyn rhoi'r newyddion diweddaraf i'r Aelodau am weithgarwch y Cyngor yn y maes hwn.

Mae Codau Ymarfer y Swyddfa Gartref yn gysylltiedig â'r Ddeddf yn ei gwneud hi'n ofynnol i Awdurdodau Lleol roi adroddiad i'w haelodau etholedig am weithgarwch y Cyngor, mewn perthynas ag unrhyw guddwylio.

Roedd y Ddeddf yn rheoleiddio'r defnydd o dechnegau cuddwylio a ddefnyddiwyd gan gyrrff amrywiol fel yr Heddlu, y lluoedd arfog, yr Adran Gwaith a Phensiynau ac Awdurdodau Lleol. Daeth y Ddeddf i rym er mwyn sicrhau bod hawliau dynol yr unigolyn yn cael eu diogelu.

Yn ychwanegol at unrhyw hawliau dynol, roedd yn rhaid i weithrediadau cuddwylio fod yn ystyriol o unrhyw Godau Ymarfer gan y Swyddfa Gartref. Roedd y Codau Ymarfer yn ei gwneud hi'n ofynnol i gyflwyno adroddiadau rheolaidd (bob blwyddyn o leiaf) i'r aelodau ar weithgarwch y Cyngor yn y maes hwn.

Roedd Gweithgor DRhPY wedi cael ei sefydlu a oedd yn cyfarfod ddwywaith y flwyddyn.

Roedd y Pennaeth Gwasanaethau Cyfreithiol a Democrataidd (y Swyddog Monitro) a'r Dirprwy Swyddog Monitro yn rhoi hyfforddiant ar y Ddeddf. Byddai angen cadw cofnodion o bwy fyddai'n mynd i'r sesiynau hyfforddi.

***PENDERFYNWYD*** y dylai'r Pwyllgor Llywodraethu Corfforaethol nodi a derbyn cynnwys yr adroddiad.

## **10 ADRODDIAD CYNNYDD ARCHWILIO MEWNOL**

Cyflwynodd y Pennaeth Archwilio Mewnol yr Adroddiad Cynnydd Archwilio Mewnol (a gylchredwyd yn flaenorol) er mwyn rhoi'r newyddion diweddaraf i'r Pwyllgor ynghylch:

- Cyflawni'r Cynllun Sicrwydd ar gyfer 2013/14
- Adroddiadau Archwilio Mewnol a gyhoeddwyd yn ddiweddar
- Ymateb Rheolwyr i'r materion a godwyd.
- Perfformiad Archwilio Mewnol.

***PENDERFYNWYD*** y dylai'r Pwyllgor Llywodraethu Corfforaethol:

- (i) Ystyried a nodi cynnydd a pherfformiad yr Adran Archwilio Mewnol hyd yma yn 2013/14

*Ystyried a nodi'r adroddiadau Archwilio Mewnol diweddar a gyhoeddwyd a'r archwiliadau dilynol a gynhaliwyd.*

## **11 CYNLLUN GWEITHREDU'R FFRAMWAITH LLYWODRAETHU CORFFORAETHOL**

Cyflwynodd y Pennaeth Archwilio Mewnol Gynllun Gweithredu'r Fframwaith Llywodraethu Corfforaethol (a gylchredwyd yn flaenorol) i'r aelodau. Cynllun Gweithredu wedi'i ddiweddarau ydoedd a ddeilliai o'r adolygiad o fframwaith llywodraethu a Datganiad Llywodraethu Blynyddol (DLIB) 2012/13 y Cyngor.

Roedd Grŵp Llywodraethu'r Cyngor yn rheoli proses y Fframwaith Llywodraethu Corfforaethol a'r broses o lunio'r Datganiad Llywodraethu Blynyddol yn barhaus yn ystod y flwyddyn ariannol.

Roedd y Grŵp Llywodraethu wedi datblygu Cynllun Gweithredu a oedd wedi cael ei ddiweddarau, ers cyflwyno'r adroddiad diwethaf, i ddangos y cynnydd hyd yma a chynigion am raddfeydd amser lle bo modd.

***PENDERFYNWYD*** y dylai'r Pwyllgor Llywodraethu Corfforaethol dderbyn a nodi Cynllun Gweithredu'r Fframwaith Llywodraethu Corfforaethol.

## **12 ADBORTH O'R CYFARFOD CYDRADDOLDEB CORFFORAETHOL**

Bu'r Cynghorydd Martyn Holland yn bresennol yn y cyfarfod Cydraddoldeb Corfforaethol. Rhoddodd grynodedb byr o'r cyfarfod hwnnw.

Roedd trafodaethau wedi cael eu cynnal ynglŷn â'r gwasanaethau dehongli a ddarperir – nid yn Gymraeg ac yn Saesneg yn unig, ond hefyd mewn braille ac ieithoedd eraill.

Dangosai'r cofnodion bresenoldeb gwael yn sesiynau Hyfforddiant Cydraddoldeb yr Aelodau.

Roedd hyfforddiant Cydraddoldeb i'r Staff yn parhau.

***PENDERFYNWYD*** y dylai'r Pwyllgor Llywodraethu Corfforaethol nodi'r diweddariad a gafwyd gan y Cynghorydd Martyn Holland.

## **13 RHAGLEN WAITH Y PWYLLGOR LLYWODRAETHU CORFFORAETHOL**

Cyflwynodd y Pennaeth Gwasanaethau Cyfreithiol a Democrataidd Raglen Waith y Pwyllgor Llywodraethu Corfforaethol i'r Dyfodol (cylchredwyd yn flaenorol).

Cytunodd y Pwyllgor y dylid ychwanegu'r adroddiadau canlynol at y Rhaglen Waith i'r Dyfodol:

26 Mawrth 2014:

- Twyll – Pennaeth Gwasanaethau Cyfreithiol a Democrataidd

- Drafft o'r Datganiad Llywodraethu Blynyddol – Pennaeth Archwilio Mewnol

Mai, 2014:

- Materion yr Arolwg Staff – Pennaeth Gwasanaethau Cyfreithiol a Democrataidd.

Cytunodd y Cadeirydd, y Cynghorydd Jason McLellan i ofyn am gadarnhad yng Ngrŵp y Cadeiryddion a'r Is-gadeiryddion Archwilio ynghylch pa eitemau y dylid eu cyflwyno o'r Pwyllgorau Archwilio neu o'r Pwyllgor Llywodraethu Corfforaethol. Hysbysodd y Pennaeth Archwilio Mewnol y Cadeirydd y byddai angen cyflwyno Cwmnïau Hyd Braich, ond y byddai angen cadarnhad ynghylch pa Bwyllgor.

Roedd ymgynghoriad ar ddyfodol Archwilio Mewnol wedi cael ei drefnu ar gyfer y cyfarfod a fyddai'n cael ei gynnal ar 26 Mawrth. Hysbysodd Gwilym Bury o Swyddfa Archwilio Cymru y Pwyllgor fod Llywodraeth Cymru yn ymgynghori ar archwilio allanol yn rhan o'r arbedion effeithlonrwydd, ac y byddai'n rhaid i'r Awdurdod Lleol ymateb erbyn 14 Mawrth 2014, felly byddai cyfarfod ar 26 Mawrth yn rhy hwyr.

Cadarnhaodd Pennaeth y Gwasanaethau Cyfreithiol a Democrataidd y byddai cyfarfod gweithredu yn cael ei gynnal yn fuan â'r Prif Weithredwr ac aelodau eraill o staff lefel uwch i ystyried y mater.

**PENDERFYNWYD** yn amodol ar yr uchod, y dylai'r Pwyllgor Llywodraethu Corfforaethol gymeradwyo'r Rhaglen Waith i'r Dyfodol.

## Gwahardd y wasg a'r cyhoedd

**PENDERFYNWYD** *Gwahardd y Wasg a'r Cyhoedd o'r cyfarfod dan ddarpariaethau Adran 100A Deddf Llywodraeth Leol 1972, tra'n ystyried yr eitemau canlynol, oherwydd ei bod yn debygol y bydd gwybodaeth eithriedig yn cael ei datgelu, fel y diffinnir hi ym mharagraff 14, Rhan 4, Atodlen 12A Deddf Llywodraeth Leol 1972.*

## 14 DYFODOL HAMDDEN CLWYD CYF

Cyflwynodd y Cadeirydd, y Cynghorydd Jason McLellan yr adroddiad cyfrinachol ar ddyfodol Hamdden Clwyd.

Cadarnhaodd y Cadeirydd fod yr eitem wedi cael ei chyflwyno'n flaenorol yng nghyd-gyfarfodydd Grŵp Ardal Aelodau'r Rhyl a Phrestatyn, a bod adroddiad wedi cael ei gyflwyno gerbron y Cabinet. Roedd y Cabinet wedi argymhell y dylid cyflwyno adroddiad am ddyfodol Hamdden Clwyd gerbron y Pwyllgor Llywodraethu Corfforaethol.

Cyflwynwyd yr adroddiad gan y Pennaeth Cyfathrebu, Marchnata a Hamdden. Trafodai'r adroddiad y materion a godwyd yn achos Hamdden Clwyd.

Yn ystod trafodaethau manwl, talodd y Cynghorydd Hugh Jones deyrnged i'r Pennaeth Cyfathrebu, Marchnata a Hamdden, y Swyddog Arweiniol, Busnes a Pherfformiad a'u timau am eu gwaith caled.

**PENDERFYNWYD** bod y Pwyllgor Llywodraethu Corfforaethol yn cytuno:

- (i) Y dylid nodi'r sefyllfa, a'i bod yn ormod o risg i'r Cyngor gymryd awennau Cwmni Hamdden Clwyd.*
- (ii) Yn sgil y pryderon parhaus, a chanfyddiadau'r ymarfer diwydrwydd dyladwy, fod y Pwyllgor Llywodraethu Corfforaethol yn cydnabod nad oedd gan y Cyngor unrhyw ddewis ond rhoi'r gorau'n llwyr i ariannu Hamdden Clwyd o 1 Ebrill 2014.*
- (iii) I gefnogi bod y cyllid cyfredol sydd ar gael i gynnal Hamdden Clwyd (tua £200,000 yn 2014/15) yn cael ei ddefnyddio i gefnogi'r newidiadau hyn ac i ddatblygu darpariaeth interim tra bo'r Cyngor yn penderfynu ynglŷn â'r ddarpariaeth fwy hirdymor ar yr arfordir.*

**Daeth y cyfarfod i ben am 1.20 p.m.**

<b>Adroddiad i'r:</b>	<b>Pwyllgor Llywodraethu Corfforaethol</b>
<b>Dyddiad y Cyfarfod:</b>	<b>26 Mawrth 2014</b>
<b>Aelod/Swyddog Arweiniol:</b>	<b>Ivan Butler - Pennaeth Archwilio Mewnol</b>
<b>Awdur yr Adroddiad:</b>	<b>Fel yr uchod</b>
<b>Teitl:</b>	<b>Siarter Archwilio Mewnol</b>

## **1. Am beth mae'r adroddiad yn sôn?**

Mae'r adroddiad hwn yn cyflwyno Siarter Archwilio Mewnol ddiwygiedig.

## **2. Beth yw'r rheswm dros lunio'r adroddiad hwn?**

Mae angen i'r Pwyllgor Llywodraethu Corfforaethol gymeradwyo'r Siarter Archwilio Mewnol diwygiedig i ystyried llinellau atebolrwydd diwygiedig, yn dilyn symud y tîm i'r Gwasanaeth Gwella Busnes a Moderneiddio.

## **3. Beth yw'r Argymhellion?**

I'r Pwyllgor gymeradwyo'r Siarter Archwilio Mewnol ddiwygiedig.

## **4. Manylion yr adroddiad.**

Ym mis Ionawr 2014, symudodd Archwilio Mewnol o Cyllid ac Asedau i Gwella Busnes a Moderneiddio, sy'n golygu bod llinellau atebolrwydd y gwasanaeth wedi newid. Mae Safonau Archwilio Mewnol y Sector Cyhoeddus yn gofyn i'r gwasanaeth fod â siarter gyfoes i ddangos ei ddiben, cwmpas, awdurdodiad, llinellau atebolrwydd, adnoddau a threfniadau ar gyfer osgoi gwrthdaro o ran buddiannau. Mae manylion llawn y rhain yn cael eu dangos yn y Siarter ddiwygiedig yn Atodiad 1.

## **5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?**

Mae'r Gwasanaeth Archwilio Mewnol yn rhoi sicrwydd a chynghor i reolwyr ac aelodau etholedig ar bob lefel ar ansawdd gweithrediadau o fewn y Cyngor. Mae ei waith yn canolbwyntio ar lywodraethu, rheoli risg, perfformiad, effeithlonrwydd a rheolaeth gweithredol ac ariannol, pob un ohonynt yn hanfodol i gyflawni blaenoriaethau corfforaethol. Mae hefyd yn cynnal prosiectau i sicrhau bod y Cyngor ar y trywydd iawn i gyflawni ei flaenoriaethau corfforaethol a phrosiectau penodol i wella effeithlonrwydd y gwasanaeth a moderneiddio.

## **6. Faint fydd hyn yn ei gostio a sut bydd yn effeithio ar wasanaethau eraill?**

Nid oes unrhyw gostau neu oblygiadau penodol i'r gwasanaeth sy'n codi o'r adroddiad hwn.

**7. Beth yw prif gasgliadau'r Asesiad o Effaith ar Gydraddoldeb a gynhaliwyd am y penderfyniad? Dylid atodi Asesiad o Effaith ar Gydraddoldeb wedi ei gwblhau fel atodiad i'r adroddiad hwn.**

Nid yw'r adroddiad hwn angen penderfyniad neu gynnig ar gyfer newid, felly nid oes unrhyw effaith ar bobl sy'n rhannu nodweddion gwarchoddedig.

**8. Pa ymgynghoriadau a gynhaliwyd gydag Archwilio ac eraill?**

Nid yw'r adroddiad hwn yn gofyn am unrhyw ymgynghoriadau.

**9. Datganiad y Prif Swyddog Cyllid**

Nid oes unrhyw effaith ariannol, ac felly nid oes angen datganiad.

**10. Pa risgiau sy'n bodoli ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?**

Mae'r adroddiad hwn yn ddiwygiad bach o'r Siarter Archwilio Mewnol gyfredol; felly nid oes unrhyw risgiau mewn perthynas â'r adroddiad hwn.

**11. Pŵer i wneud y Penderfyniad**

Mae gofyniad o dan Fesur Llywodraeth Leol (Cymru) 2011 i'r 'pwyllgor archwilio' oruchwylio trefniadau archwilio mewnol y Cyngor.

# Denbighshire County Council

# Internal Audit Charter

March 2014

## Contents

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## Background to the Internal Audit Charter

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- 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:

<b>Standards</b>	<b>Denbighshire County Council</b>
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:

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**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.**

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

## Internal Audit in Denbighshire County Council

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### **Definition of Denbighshire County Council's Internal Audit Service**

The Internal Audit Service is an independent and objective 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...

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- 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

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- Although reporting to the Head of Business Improvement & Modernisation, the Head of Internal Audit also has direct access to the Council's Head of Finance & Assets (S151 Officer), 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 Business Improvement & Modernisation 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**

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

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**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.**

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## The scope of Internal Audit's work

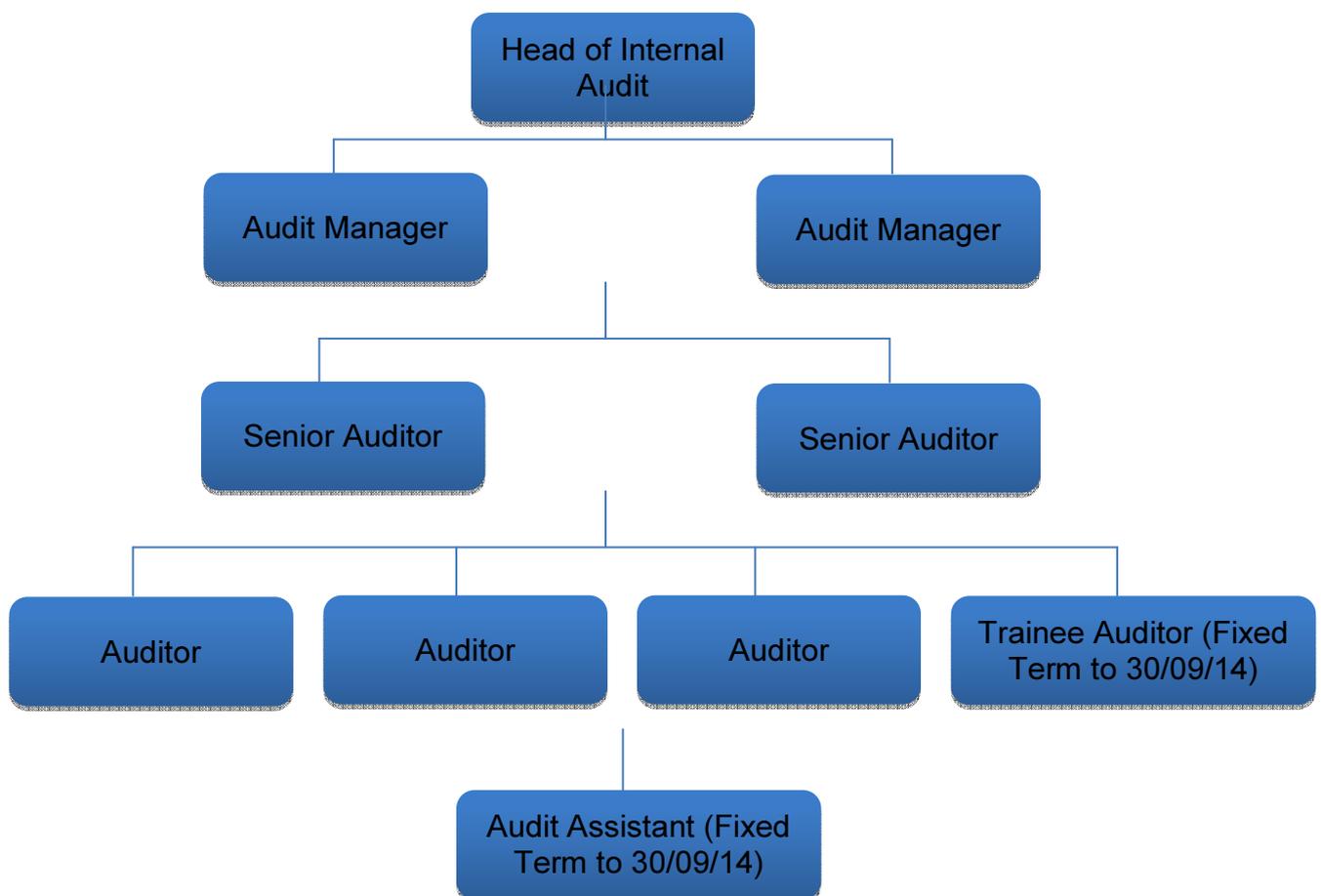
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- The Internal Audit service is very proactive and innovative, constantly aiming to improve. We have a customer-focused approach to audit planning, project scoping and service delivery, involving elected members, senior management and operational staff.
- 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

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- 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.
- We have a well-qualified and experienced team, mainly following the Chartered Institute of Internal Auditors (CMIIA) qualification route.



## Internal Audit's responsibilities

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### 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.

Mae tudalen hwn yn fwriadol wag

<b>Adroddiad i'r:</b>	<b>Pwyllgor Llywodraethu Corfforaethol</b>
<b>Dyddiad y Cyfarfod:</b>	<b>26 Mawrth 2014</b>
<b>Swyddog Arweiniol:</b>	<b>Ivan Butler - Pennaeth y Gwasanaethau Archwilio Mewnol</b>
<b>Awdur yr Adroddiad:</b>	<b>fel uchod</b>
<b>Teitl:</b>	<b>Strategaeth Archwilio Mewnol Ddrafft 2014-15</b>

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## **1. Am beth mae'r adroddiad yn sôn?**

Mae'r adroddiad hwn yn cyflwyno strategaeth ddrafft ar gyfer y Gwasanaeth Archwilio Mewnol 2014-15 er ystyriaeth a sylwadau'r Pwyllgor.

## **2. Beth yw'r rheswm dros lunio'r adroddiad hwn?**

Mae cylch gorchwyl y Pwyllgor yn gofyn iddo ystyried strategaeth gynllunio archwilio gwasanaeth archwilio mewnol y Cyngor; felly mae'r adroddiad hwn er gwybodaeth ac ystyriaeth yn unig.

## **3. Beth yw'r Argymhellion?**

Bod y Pwyllgor yn ystyried ac yn rhoi sylwadau ar Strategaeth Archwilio Mewnol ddrafft fwriedig 2014-15.

## **4. Manylion am yr adroddiad.**

Mae'r Strategaeth Archwilio Mewnol ddrafft 2014-15 ynghlwm fel Atodiad 1. Gan fod y gwasanaeth wedi symud i'r Gwasanaeth Gwella Busnes a Moderneiddio'n ddiweddar, mae'r Strategaeth yn drosolwg o le mae'r gwasanaeth yn debygol o dreulio ei amser yn ystod 2014-15, wrth aros am adolygiad ar y gweill o sut y gall y Cyngor wella a chydlynu ei ddull o ddarparu sicrwydd a gwella gwasanaethau.

Mae'r Pennaeth Archwilio Mewnol ar hyn o bryd yn ymgynghori gyda'r Uwch Dîm Arweinyddiaeth ac yna bydd yn gweithio gyda rheolwyr eraill yn y Gwasanaeth Gwella Busnes a Moderneiddio erbyn diwedd mis Awst i ddatblygu dull o sicrwydd a gwella gwaith a fydd yn diweddu gyda Strategaeth Archwilio Mewnol newydd o fis Medi 2014.

## **5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?**

Mae'r Gwasanaeth Archwilio Mewnol yn rhoi sicrwydd a chyngor i bob lefel o reolaeth ac aelodau etholedig ar ansawdd y gweithrediadau o fewn y Cyngor. Mae ei waith yn canolbwyntio ar lywodraethu, rheoli risg, perfformiad, effeithlonrwydd a rheoli gweithredol ac ariannol, gyda phob un ohonynt yn hanfodol i gyflawni blaenoriaethau

corfforaethol. Mae hefyd yn cynnal prosiectau i sicrhau fod y Cyngor ar y trywydd iawn i gyflawni ei flaenoriaethau corfforaethol a phrosiectau penodol i wella effeithlonrwydd y gwasanaeth a moderneiddio.

**6. Faint fydd hyn yn costio a sut bydd yn effeithio ar wasanaethau eraill?**

Nid oes unrhyw oblygiadau cost neu wasanaeth penodol sy'n codi o'r adroddiad hwn.

**7. Beth yw'r prif gasgliadau o'r Asesiad o'r Effaith ar Gydraddoldeb (EqIA) a gynhaliwyd ar y penderfyniad? Dylid cynnwys templed yr Asesiad o Effaith ar Gydraddoldeb a gwblhawyd fel atodiad i'r adroddiad.**

Nid yw'r adroddiad hwn angen penderfyniad neu gynnig ar gyfer newid, felly nid oes unrhyw effaith ar bobl sy'n rhannu nodweddion gwarchoddedig.

**8. Pa ymgynghoriadau a gynhaliwyd gydag Archwilio ac eraill?**

Ni fu unrhyw ymgynghori ar y Strategaeth ddrafft yn ystod y cam hwn, ond mae'r Pennaeth Archwilio Mewnol ar hyn o bryd yn ymgynghori â'r Uwch Dîm Arweinyddiaeth ar ofynion manylach y gwasanaeth a sut y gellir cydlynu ei ddull yn y dyfodol.

**9. Datganiad y Prif Swyddog Cyllid**

Nid oes unrhyw effaith ariannol, ac felly nid oes angen datganiad.

**10. Pa risgiau sy'n bodoli ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?**

Gan fod y Strategaeth Archwilio Mewnol mewn cyfnod drafft cynnar iawn, nid oes unrhyw risgiau yn gysylltiedig â hi ar hyn o bryd, ond bydd y rhain yn cael eu hystyried wrth i'r ymgynghoriad â'r Uwch Dîm Arweinyddiaeth ddatblygu.

**11. Pŵer i wneud y Penderfyniad**

Nid oes angen gwneud penderfyniad ar gyfer yr adroddiad hwn, ond mae gofyniad o dan Fesur Llywodraeth Leol (Cymru) 2011 i'r 'pwyllgor archwilio' oruchwylio trefniadau archwilio mewnol y Cyngor.

# **Denbighshire County Council**

# **Draft Internal Audit Strategy**

**Arrangements for delivering an  
effective internal audit service**

**2014-15**

## Contents

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Summary of proposed service delivery .....	2
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## Background to the service

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The Internal Audit Service is an independent and objective 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 Natural Resources Wales (NRW) and North Wales Police (NWP). This Strategy refers primarily to the service provided to Denbighshire County Council.

### 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.**

Our team is very proactive and innovative, constantly aiming to improve and we have recently moved to the Business Improvement & Modernisation Service to develop our role and to help co-ordinate assurance and improvement work across the Council. We have developed a very successful customer-focused approach to audit planning, project scoping and service delivery, involving elected members, senior management and operational staff that has made us a valued service within the Council, contributing to service improvement as well as providing assurance.

Our work provides a risk-based approach that allows the Head of Internal Audit (HIA) to form and evidence his opinion on the control environment to support the Council's annual review of its governance arrangements. Our Internal Audit Strategy therefore 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.

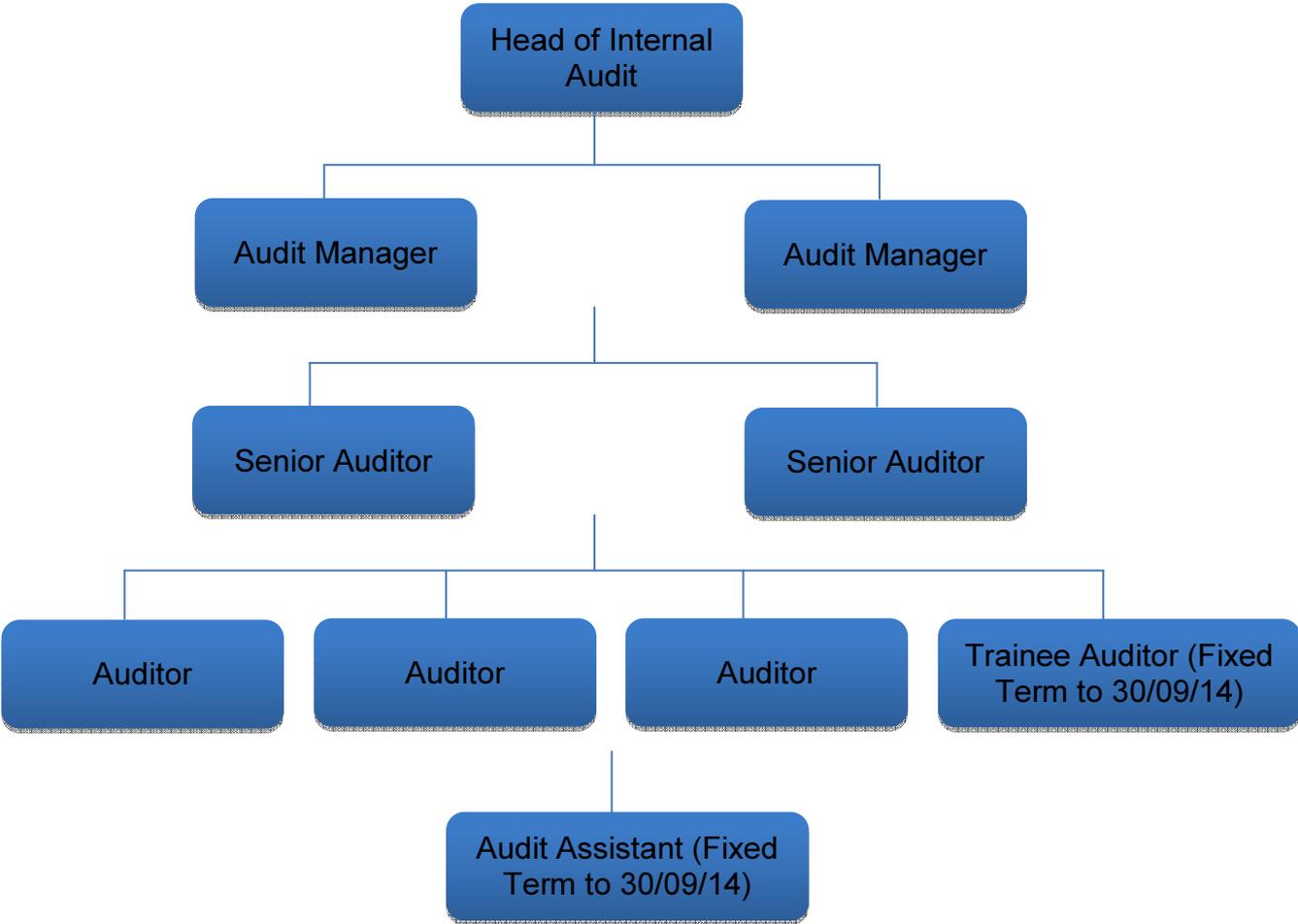
As the service is going through a transitional period following its move, this Strategy is in draft format and provides a general overview of where we will spend our time during 2014/15. The HIA is currently holding discussions with the Senior Leadership Team on how the service can be improved and co-ordinated and the internal audit requirements for 2014/15. He will then work with other managers within Business Improvement & Modernisation by the end of August 2014 to develop an approach to assurance and improvement work that will culminate in a new Internal Audit Strategy from September 2014.

# Summary of proposed service delivery

The following provides an overview of how we plan to spend our time during 2014/15. It shows broadly 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 assessment of corporate governance.

At this stage, the Strategy is based on 2150 days, but this will reduce as we have one member of staff due to commence maternity leave during the year, but we have not yet been informed of the proposed length of absence. We will not be covering this post during the maternity leave.

The service structure below has all posts currently filled. Two posts are on fixed term contracts.



## Internal Audit Assurance Strategy 2014/15

ESSENTIAL STATUTORY & GOVERNANCE ASSURANCE (22%)		
<b>Financial Assurance</b>	100 days	<ul style="list-style-type: none"> <li>• Financial systems for S151 assurance</li> <li>• Education grants for Welsh Government assurance</li> </ul>
<b>Grants &amp; Other Certification</b>	60 days	<ul style="list-style-type: none"> <li>• Reviews for assurance on good corporate governance</li> </ul>
<b>Corporate Governance Assurance</b>	280days	<ul style="list-style-type: none"> <li>• Reviews for assurance of delivery of corporate priorities</li> </ul>
<b>High Corporate Risks</b>	30 days	<ul style="list-style-type: none"> <li>• Assurance on management of high inherent risks in Corporate Risk Register</li> </ul>
ESSENTIAL CORPORATE & SERVICE IMPROVEMENT ASSURANCE (24%)		
<b>Corporate Projects</b>	60 days	<ul style="list-style-type: none"> <li>• Cross-cutting projects e.g. sickness absence, Town &amp; Area Plans, Arms-length organisations</li> </ul>
<b>Service Operational &amp; Improvement Assurance</b>	460 days	<ul style="list-style-type: none"> <li>• Reviews within specific services identified as high-risk, poor performing, in need of improvement or requests from Head of Service to look at modernisation and efficiencies</li> </ul>
EXTERNAL CONTRACTS (15%)		
<b>Natural Resources Wales</b>	100 days	<ul style="list-style-type: none"> <li>• Agreement ends 31 March 2015</li> </ul>
<b>North Wales Police</b>	200 days	<ul style="list-style-type: none"> <li>• Contract ends 31 March 2017</li> </ul>
<b>School Funds</b>	20 days	<ul style="list-style-type: none"> <li>• On request</li> </ul>
OTHER ESSENTIAL WORK (15%)		
<b>Project Follow Up Work</b>	50 days	<ul style="list-style-type: none"> <li>• Project follow up to ensure improvements implemented</li> </ul>
<b>Special Investigations &amp; Proactive Fraud Prevention</b>	100 days	<ul style="list-style-type: none"> <li>• Reactive &amp; proactive fraud work to provide assurance to S151 officer</li> </ul>
<b>Consultancy &amp; Corporate Work</b>	150 days	<ul style="list-style-type: none"> <li>• Reporting, advice &amp; support to Corporate Governance Committee, Performance Scrutiny Committee etc.</li> </ul>
<b>IA Collaboration</b>	20 days	<ul style="list-style-type: none"> <li>• General support, guidance &amp; advice to services</li> <li>• Research &amp; horizon scanning for new and emerging risks, good practice etc.</li> <li>• Working with other internal audit services to provide assurance e.g. for partnerships</li> </ul>
IA SUPPORT (24%)		
<b>IA Management &amp; Admin</b>	400 days	
<b>IA Training &amp; Development</b>	120 days	<ul style="list-style-type: none"> <li>• Management &amp; training of IA team</li> </ul>

## Internal Audit performance & customer standards

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%

**Adroddiad i'r:** Pwyllgor Llywodraethu Corfforaethol

**Dyddiad y Cyfarfod:** 26 Mawrth 2014

**Aelod/Swyddog Arweiniol:** Ivan Butler - Pennaeth Archwilio Mewnol

**Awdur yr Adroddiad:** Fel yr uchod

**Teitl:** Adroddiad Cynnydd Archwilio Mewnol

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## 1. Am beth mae'r adroddiad yn sôn?

Mae'r adroddiad hwn yn rhoi diweddariad i'r Pwyllgor ar gynnydd diweddaraf Archwilio Mewnol o ran cyflwyno gwasanaeth, darparu sicrwydd, adolygiadau a gwblhawyd, perfformiad ac effeithiolrwydd wrth gymell gwelliant.

## 2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

I gyflwyno'r wybodaeth ddiweddaraf i'r Pwyllgor ynghylch:

- cyflawni ein Cynllun Sicrwydd ar gyfer 2013/14 (Atodiad 1)
- adroddiadau Archwilio Mewnol diweddar a gyhoeddwyd (Atodiad 2)
- ymateb y rheolwyr i faterion a godwyd gennym (Atodiad 3)
- Perfformiad Archwilio Mewnol (Atodiad 4)

## 3. Beth yw'r Argymhellion?

- Pwyllgor i ystyried a rhoi sylwadau ar gynnydd a pherfformiad Archwilio Mewnol hyd yma yn 2013/14
- Pwyllgor i ystyried a rhoi sylwadau ar adroddiadau Archwilio Mewnol diweddar a gyhoeddwyd a dilyniant a gwblhawyd

## 4. Manylion am yr Adroddiad

### ***Cyflwyno Cynllun Sicrwydd Archwilio Mewnol 2013/14***

- 4.1 Mae Atodiad 1 yn rhoi dadansoddiad o'n gwaith yn ystod 2013/14, o'i gymharu â'r Strategaeth Archwilio Mewnol. Mae'n cynnwys sgoriau sicrwydd a nifer o faterion a godwyd ar gyfer yr adolygiadau a gwblhawyd, diffiniadau a ddefnyddir i ffurfio ein sicrwydd archwilio a'r mesurau a ddefnyddiwyd i asesu'r lefelau risg ar gyfer materion a godwyd.
- 4.2 O ganlyniad i wasanaeth yn symud, tendro am gontractau allanol, problemau TG gyda hen liniaduron, gweithredu EDRMS a gweithio ar ymchwiliadau arbennig, rydym wedi bod yn blaenoriaethu'r prosiectau hynny a ystyrir yn 'Sicrwydd Hanfodol' yn ystod yr ychydig wythnosau diwethaf er mwyn sicrhau

eu bod yn cael eu cwblhau i o leiaf hyd at gam adroddiad drafft erbyn 31 Mawrth 2014. Mae hyn yn golygu y bydd rhai prosiectau'n cael eu gohirio tan ar ôl 1 Ebrill 2014 a byddant yn ffurfio rhan o waith sicrwydd y flwyddyn nesaf.

### ***Crynodeb o Adroddiadau Archwilio Mewnol Diweddar***

4.3. Mae ein hadroddiadau'n defnyddio lliwiau ar gyfer mesur sicrwydd fel a ganlyn:

<b>Gwyrdd</b>	Sicrwydd Uchel	Risgiau a rheolaethau wedi'u rheoli'n dda
<b>Melyn</b>	Sicrwydd Canolig	Risgiau wedi'u nodi ond gellir eu cadw ar lefel gwasanaeth
<b>Amber</b>	Sicrwydd Isel	Risgiau wedi'u nodi sydd angen cyfarfod gyda Chyfarwyddwr/Aelod Arweiniol
<b>Coch</b>	Dim Sicrwydd	Risgiau sylweddol wedi'u nodi sydd angen cynhadledd achos gyda'r aelod/swyddog

4.4. Mae Atodiad 2 yn rhoi crynodeb o'r adroddiadau Archwilio Mewnol terfynol a gyhoeddwyd ers fy adroddiad ym mis Ionawr 2014. Mae adroddiadau crynodeb gweithredol a chynlluniau gweithredu hefyd yn cael eu cynnwys ar gyfer gwybodaeth bellach.

### ***Ymateb y rheolwyr i faterion a godwyd gan Archwilio Mewnol***

4.5. Mae'r rhan fwyaf o'n hadroddiadau Archwilio Mewnol yn nodi risgiau a gwendidau rheolaeth. Rydym yn mesur y rhain fel risg allweddol, mawr neu gymedrol. Mae rheolwyr yn cytuno ar gamau gweithredu i fynd i'r afael â'r risgiau, gan gynnwys cyfrifoldebau ac amserlenni.

4.6. Rydym yn rhoi gwybod am bob achos lle bydd rheolwyr yn methu ymateb i'n gwaith dilynol neu os ydynt yn mynd dros y dyddiad gweithredu y cytunwyd arno gan fwy na thri mis. Mae'r Pwyllgor hwn yn penderfynu a oes angen cymryd camau pellach e.e. trwy alw'r bobl berthnasol i'w gyfarfod nesaf neu ofyn am adroddiad ysgrifenedig i egluro diffyg cynnydd.

4.7. Mae Atodiad 3 yn dangos yr adolygiadau dilynol a gwblhawyd ers fy adroddiad diwethaf i'r Pwyllgor hwn, gan gynnwys manylion llawn yr ymateb i ddilyniant Caffael y Gwasanaethau Adeiladu y gofynnodd y Pwyllgor amdano'n flaenorol.

### ***Perfformiad Archwilio Mewnol***

4.8. Mae Archwilio Mewnol yn mesur ei berfformiad mewn dau faes allweddol:

- Darparu 'Sicrwydd Hanfodol' - Mae'r prosiectau hyn yn sicrhau bod y Cyngor yn cyflawni ei rwymedigaethau Swyddog Adran 151, yn rheoli ei brif risgiau corfforaethol a chanddo drefniadau cadarn ar waith ar gyfer llywodraethu corfforaethol a chyflawni ei flaenoriaethau corfforaethol.
- 'Safonau Cwsmer' - Ystod o ddangosyddion i sicrhau ein bod yn darparu gwasanaeth da i'n cwsmeriaid.

4.9. Mae Atodiad 4 yn dangos ein perfformiad hyd yn hyn ar gyfer 2013/14. Rydym ar y trywydd iawn i gyflawni 100% o brosiectau 'Sicrwydd Hanfodol'

erbyn 31 Mawrth 2014. Dylem gyflawni 100% ar yr holl 'Safonau Cwsmer' gyda dau eithriad:

- Ar gyfer un prosiect, rydym wedi rhoi 8 diwrnod gwaith o rybudd o gychwyn prosiect yn hytrach na'r 10 diwrnod angenrheidiol.
- Ar gyfer un prosiect, oherwydd pwysau gwaith, rydym wedi cyhoeddi adroddiad drafft ar ôl 14 diwrnod yn hytrach na'r 10 diwrnod a gytunwyd. Rwy'n cymeradwyo'r oedi hwn yn hytrach na chyfaddawdu ansawdd yr adroddiad drafft.

## **5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?**

Mae'r Gwasanaeth Archwilio Mewnol yn rhoi sicrwydd a chynghor i bob lefel o reolaeth ac aelodau etholedig ar ansawdd y gweithrediadau o fewn y Cyngor. Mae'n canolbwyntio ar lywodraethu, rheoli risg, perfformiad, effeithlonrwydd a rheoli gweithredol ac ariannol, pob un ohonynt yn hanfodol i gyflawni blaenoriaethau corfforaethol. Mae hefyd yn cynnal prosiectau i sicrhau bod y Cyngor ar y trywydd iawn i gyflawni ei flaenoriaethau corfforaethol a phrosiectau penodol i wella effeithlonrwydd y gwasanaeth a moderneiddio.

## **6. Faint fydd hyn yn ei gostio a sut bydd yn effeithio ar wasanaethau eraill?**

Nid oes unrhyw gostau penodol na goblygiadau gwasanaeth sy'n codi o'r adroddiad hwn.

## **7. Beth yw prif gasgliadau'r Asesiad o Effaith ar Gydraddoldeb a gynhaliwyd am y penderfyniad? Dylid atodi Asesiad o Effaith ar Gydraddoldeb wedi ei gwblhau fel atodiad i'r adroddiad hwn.**

Nid yw'r adroddiad hwn angen penderfyniad na chynnig ar gyfer newid, felly nid oes unrhyw effaith ar bobl sy'n rhannu nodweddion gwarchodedig.

## **8. Pa ymgynghoriadau a gynhaliwyd gydag Archwilio ac eraill?**

Mae hwn yn adroddiad cynnydd ac nid oes angen unrhyw ymgynghori.

## **9. Datganiad y Prif Swyddog Cyllid**

Nid oes unrhyw effaith ariannol; felly nid oes angen datganiad.

## **10. Pa risgiau sy'n bodoli ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?**

Mae hwn yn adroddiad cynnydd sy'n dangos cynnydd da tuag at ddiwedd y flwyddyn ariannol, felly nid oes unrhyw risgiau ar hyn o bryd.

## **11. Pŵer i wneud y Penderfyniad**

Nid oes angen penderfyniad ar gyfer yr adroddiad hwn ond mae'n ofynnol o dan Fesur Llywodraeth Leol (Cymru) 2011 i'r 'pwyllgor archwilio' oruchwylio trefniadau archwilio mewnol y Cyngor.

Mae tudalen hwn yn fwriadol wag

### Internal Audit Work 2013/14 – progress as at 16/02/14

Internal Audit Assurance Plan	Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
<b>Financial Assurance</b>								
Financial systems – Ruthin based 2012/13	0	1	Complete	Medium	0	1	7	Completion of 2012/13 review
Financial systems – Rhyl based	48	42	Complete	High	0	0	3	
Financial systems – Ruthin based	30	27	In progress					Nearing draft report stage
Financial systems - Activedata testing 2012/13	16	14	Complete	Medium	0	0	0	
Settlement agreements	5	4	Complete	n/a	0	3	0	Summary report
<b>Sub-totals</b>	<b>99</b>	<b>88</b>	<b>% Internal Audit Assurance Plan</b>			Estimated: 4.6%		Actual to date: 5.0%
<b>Performance</b>	4 planned projects - 3 completed to draft report stage = 75%							
<b>Grant &amp; Other Certification Assurance</b>								
Sustainability/Climate Change	3	4	Complete	High	0	0	4	
Welsh Government (WG) education grant certification	15							Completion of 2012/13 review
- Breakfast initiative Grant		5	Complete	High	0	0	0	
- Thinking & Assessment for Learning Grant		3	Complete	n/a	0	0	0	
WG 6 <sup>th</sup> Form Funding – Ysgol Brynhyfryd, Ruthin	15	17	Complete	Medium	0	0	3	
WG Student Finance certification	5	6	Complete	High	0	0	0	
WG 6 <sup>th</sup> Form Funding - Denbigh High School	15	14	In progress					Nearing draft report stage
<b>Sub-totals</b>	<b>53</b>	<b>49</b>	<b>% Internal Audit Assurance Plan</b>			Estimated: 2.5%		Actual to date: 2.8%
<b>Performance</b>	5 planned projects - 4 completed to draft report stage = 80%							

Internal Audit Assurance Plan	Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
<b>Corporate Governance Assurance</b>								
Risk management	0	5	Complete	Medium	0	0	4	Completion of 2012/13 review
Procurement	20	36	Complete	Low	0	6	5	
Corporate Plan Projects	41	10	In progress					Due for completion before 31 March 2014
Customer Service Standards	7	3	In progress					Due for completion before 31 March 2014
Customer feedback process	10	10	In progress					Due for completion before 31 March 2014
Partnerships & collaboration - N. Wales Commissioning Hub	15	0	Preparation					Due March 2014
Partnerships & collaboration New Work Connections Exit strategy		5	Complete	Medium	0	0	2	
Project management	20	27	In progress					
- Rhyl Foryd Harbour Pedestrian & Cycle Bridge			Draft report					
Management of human resources - disciplinaries & difficult situations	20	0	Postponed					To be included in review of Strategic HR in April 2014
Management of human resources - cessation of employment	20	1	Preparation					Due March 2014
Roles & responsibilities of elected members & senior officers	5	0	Complete					Reviews included in Annual Governance Statement self-assessment work
Scheme of delegation for decision making	5	0	Complete					
S151 Officer Role	6	5	In progress					Nearing draft report stage
Equalities	15	0	In progress					Due March 2014
Leadership	1	0	Complete	High	0	0	0	Assurance taken from outcome of staff survey
Corporate Governance Framework	15	10	Draft report					On-going work during the year

Internal Audit Assurance Plan	Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
<b>Sub-totals</b>	<b>205</b>	<b>112</b>	<b>% Internal Audit Assurance Plan</b>			Estimated: 9.6%		Actual to date: 6.4%
<b>Performance</b>	13 planned projects - 6 completed to draft report stage = 46%							
<b>High Corporate Risk Assurance</b>								
Collaboration agenda	3	0	Cancelled					No longer high risk in Corporate Risk Register
Change/ modernisation projects	3	0	Complete					Covered under Corporate Plan work
HR framework	3	0	Complete					Update reports to Corporate Governance Committee
ICT investment	3	1	In progress					Due March 2014
Corporate Risk - Safeguarding	3	3	Complete					Informal feedback to Corporate Director
Corporate Risk - Economic Environment	2	1	In progress					Due March 2014
Corporate Risk - Arms Length Organisations	2	3	Complete					Review of risks associated with Clwyd Leisure Ltd.
Corporate Risk - BCU Health Board Partnership	3	1	Complete					
<b>Sub-totals</b>	<b>22</b>	<b>9</b>	<b>% Internal Audit Assurance Plan</b>			Estimated: 1.0%		Actual to date: 0.5%
<b>Performance</b>	7 planned projects - 5 completed = 71%							
<b>Risk-based Assurance</b>								
Corporate Health & Safety	20	25	Complete	Medium	0	1	5	
Sickness absence management	25	0	Postponed					Postponement to 14/15 to allow implementation of new policy and procedures
Travel & subsistence - pool cars	20	21	Complete	n/a	n/a	n/a	n/a	Review of viability only
Welfare advice	30	41	Complete	Medium	0	1	7	
Management of Council buildings	20	24	Complete	n/a	n/a	n/a	n/a	Verbal update on request of S151 Officer

Internal Audit Assurance Plan	Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Adult Services - improvement & priority areas from self-assessment 2013/14	5	3	Complete	n/a	n/a	n/a	n/a	Email feedback to service only
Adult Services - residential care	20	24	Complete	Medium	0	0	13	
Adult Services - Deputy for Finance (Court of Protection)	12	12	Complete	Medium	0	0	4	
Children's Services - improvement & priority areas from self-assessment 2013/14	5	3	Complete	n/a	n/a	n/a	n/a	Email feedback to service only
Children's Services - cash payments to clients	15	11	Complete	n/a	0	0	4	Informal summary report
Children's Services - performance	1	1	Completed	n/a	n/a	n/a	n/a	Review of specific performance indicator only
Library Standards	2	1	Cancelled					Review not needed
School admissions	10	0	Postponed					Service requested review in May 2014
21st Century Schools programme	10	0	Cancelled					Assurance provided by external consultant
School themed visits - governance	20	24	Complete					Outcomes discussed with service and on-going work for 2014/15
School themed visits - physical security / health & safety	30	1	Postponed					To be included in 2014/15 Assurance Plan
School themed visits – procurement	20	1	Postponed					To be included in 2014/15 Assurance Plan
School themed visits - safeguarding	15	1	Postponed					To be included in 2014/15 Assurance Plan
School themed visits - School Fund management	15	1	Postponed					To be included in 2014/15 Assurance Plan
Blessed Edward Jones School, Rhyl	15	22	Complete	Medium	0	0	13	
Special Education	30	0	Postponed					To be included in 2014/15 Assurance Plan

Internal Audit Assurance Plan	Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Flying Start Grant	5	0	Complete	n/a	n/a	n/a	n/a	Project no longer necessary
School Improvement performance	1	0	Cancelled					No longer required as performance improved
School Improvement - review of admin, terms & conditions, TOIL & travel costs	20	32	Complete	n/a	0	0	9	No formal opinion issued.
Fly tipping	1	1	Complete					Review of specific performance indicator only
Public conveniences	10	20	Complete	Medium	0	0	4	
Highways network services	10	0	Not started					Due March 2014
S106 Agreements	10	1	Cancelled					Head of Service no longer requires project
Legal Services	25	0	Not started					Likely to be postponed to 2014/15
Coroners Service	20	0	Not started					Likely to be postponed to 2014/15
Taxi driver & vehicle licensing	25	0	Not started					Due March 2014
IT assurance work	10	1	Cancelled					No specific projects identified
Fostering Service	0	8	Complete	Medium	0	0	2	Completion of 2012/13 review
Adults services - efficiency of charging processes	0	8	Complete	n/a	n/a	n/a	n/a	Completion of 2012/13 review
Modernising Education	0	4	Complete	n/a	n/a	n/a	n/a	Completion of 2012/13 review
Ysgol Clawdd Offa, Prestatyn	0	4	Complete	Low	0	7	21	Completion of 2012/13 review
Winter maintenance	0	1	Complete	Medium	0	0	10	Completion of 2012/13 review
Countryside Services	0	23	Complete	Medium	0	0	8	Completion of 2012/13 review
Housing Services	0	7	Complete	Medium	0	0	8	Completion of 2012/13 review
Consultant payments	0	10	Complete					On-going work from 2012/13

Internal Audit Assurance Plan	Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Review of corporate petty cash accounts	0	12	In progress					Issue noted during another project
Revision of schools audit programme & 6th form terms & conditions	0	4	In progress					Work needed in advance on 2014/15 projects
Management of human resources - agency / relief staff	10	16	In progress					
<b>Sub-totals</b>	<b>487</b>	<b>368</b>	<b>% Internal Audit Assurance Plan</b>			Estimated: 22.7 %		Actual to date: 21.0%
<b>Modernising &amp; Efficiency Projects</b>								
Leisure Services information management system	2	0	Cancelled					Not required by service
Fleet management & vehicle maintenance	15	1	Cancelled					Not required by service
Reablement service	3	5	Complete					
Disabled Facilities Grants	10	3	In progress					To be completed in March 2014
Housing responsive repairs & voids - continuation of performance measurement	10	4	Complete					
Planning & Public Protection - process reviews of various services	10	9	Complete					
IT Service Desk	10	9	Complete					
Contingency for future reviews	16							
<b>Sub-totals</b>	<b>76</b>	<b>31</b>	<b>% Internal Audit Assurance Plan</b>			Estimated: 3.6%		Actual to date: 1.8%
<b>External Contract Work</b>								
Natural Resources Wales	165	135						
North Wales Police	225	207						
School Fund Audits	40	16						
<b>Sub-totals</b>	<b>430</b>	<b>358</b>	<b>% Internal Audit Assurance Plan</b>			Estimated: 20.1%		Actual to date: 20.5%

Internal Audit Assurance Plan	Planned Days	Days to Date	Current Status	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
<b>Other Areas of Work &amp; Contingencies</b>								
Consultancy & Corporate Work	120	137						
Follow up reviews	53	49						
IA collaboration	20	17						
Frauds & Investigations	50							
- National Fraud Initiative		7						
- Council Tax complaint		6						
- THI Grants		19						
- general enquiries		18						
IA relationship management	25	8						
<b>Sub-totals</b>	<b>268</b>	<b>261</b>	<b>% Internal Audit Assurance Plan</b>			Estimated: 12.5%		Actual to date: 14.9%
<b>IA Support</b>								
Management & administration	400	323						
Training & development	100	151						
<b>Sub-totals</b>	<b>500</b>	<b>474</b>	<b>% Internal Audit Assurance Plan</b>			Estimated: 23.4%		Actual to date: 27.1%
<b>Grand Totals</b>	<b>2140</b>	<b>1750</b>						

Mae tudalen hwn yn fwriadol wag

## Appendix 2 - Recent Internal Audit Reports

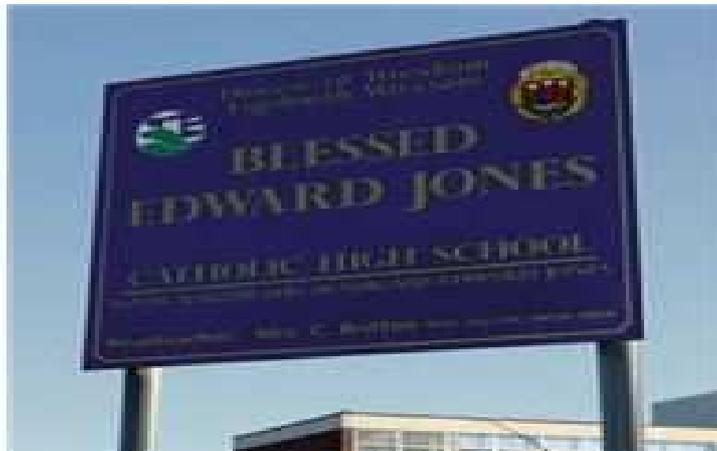
Audit Report	Audit Opinion	Issues Raised			Comments
		Critical Risk (Red)	Major Risk (Amber)	Moderate Risk (Yellow)	
Blessed Edward Jones RC High School	Medium	0	0	13	
School Improvement - review of admin, terms & conditions, TOIL & travel costs	n/a	0	0	9	No formal opinion issued. Report not presented to Corporate Governance Committee yet due to on-going TU negotiations
Financial Payments to Care Leavers	n/a	0	0	4	Informal summary report only. No formal opinion issued.

***Denbighshire Internal Audit Services***  
*Caledfryn, Smithfield Road, Denbigh, LL16 3RJ*

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# **Blessed Edward Jones R.C. High School**

February 2014



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## Purpose & Scope of Review

We carried out a review of Blessed Edward Jones R.C. High School in October 2013 as part of our risk-based Internal Audit Assurance Plan. Our review focused on the following areas:

- Governance arrangements
- Financial management
- Purchasing controls
- Income controls
- School Fund management
- Health, safety and security
- ICT and information security controls
- Admissions

## Assurance Rating

(Based on areas reviewed)

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

## Audit Opinion

Overall, the School has shown significant improvement since our last review three years ago, particularly in its governance arrangements and financial management.

Although governance has improved, there are further improvements needed to ensure that arrangements are more robust, in particular relating to Disclosure and Barring Service (DBS) checks and other qualification/disqualification checks. However, the School complies with the Government of Maintained Schools (Wales) Regulations 2005 in the composition of its Governing Body and committees and has all the required policies in place.

The School faces financial pressures due to deficits brought forward and falling pupil numbers. The deficit has already been significantly reduced and the School is developing a financial recovery plan to avoid having its delegated powers removed.

Specific financial operational areas have also been improved, for example purchasing, income and, in particular, management of the School Fund, which was very poor during our previous review. There are a few improvements needed, such as making sure that purchase orders are issued more often, paying invoices promptly and ensuring that supporting documentation for School Fund expenditure is in place, but the main controls are evident and working effectively.

The remaining areas covered in our review are also well-managed overall, with a few operational improvements needed, for example, to improve some areas of health, safety and access security, data security and compliance with the Welsh Admissions Code 2013.

Although we have raised 13 issues in our report, these are mainly operational and, given the level of improvement made since our last review, we have provided a Medium Assurance Rating for the School.

# Action Plan

**Audit Review of:** Blessed Edward Jones R.C. High School

**Date:** February 2014

**Action Plan Owner:** Head teacher - Dominic Tobin

Corporate Risk/Issue Severity Key	
	<b>Critical</b> – Significant CET and Cabinet intervention
	<b>Major</b> – intervention by SLT and/or CET with Cabinet involvement
	<b>Moderate</b> – Containable at service level. Senior management and SLT may need to be kept informed

Risk/ Issue No.	Risk/Issue	Action	Who	When
1.	The composition of the Governing Body is incomplete as there is a vacancy for a LEA governor and also a vacancy for the clerk to the governors.	<ul style="list-style-type: none"> <li>Propose to advertise externally for a Clerk to the Governors. Job description &amp; person specification being prepared.</li> </ul>	Business & Finance Manager	January 2014
		<ul style="list-style-type: none"> <li>Chair of Governors aware of the vacancy and approach to be made to prospective governor</li> </ul>	Chair of Governors	February 2014
2.	Not all governors have been checked by the Disclosure and Barring Service (DBS) and other qualification/disqualification checks, including Bankruptcy and Company Directors Disqualifications need to be completed for all governors.	<ul style="list-style-type: none"> <li>DBS packs requested again for 3 new governors 4 December 2013</li> </ul>	Personal Assistant to Head teacher	January 2014
		<ul style="list-style-type: none"> <li>Other checks to be investigated and undertaken for all governors when new Clerk is appointed.</li> </ul>	New Clerk to the Governors	February 2014
3.	Not all members of staff who can influence financial decisions have completed declaration of business interest forms.	Review of declaration of business interest forms to be undertaken and omissions completed.	Personal Assistant to Head Teacher	January 2014

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Risk/ Issue No.	Risk/Issue	Action	Who	When
4.	<p>Governing Body minutes need to be improved in the following areas:</p> <ul style="list-style-type: none"> <li>• They do not include who is to complete actions and by when.</li> <li>• They lack evidence to show the Governing Body acting as a critical friend.</li> <li>• They do not show that the Governing Body discusses and agrees all action.</li> <li>• Some minutes were missing</li> <li>• The Chair had not signed most sets of minutes that we saw.</li> </ul>	<ul style="list-style-type: none"> <li>• New Clerk to receive training to ensure actions agreed in meetings are allocated to members with estimated time for completion.</li> <li>• New Clerk to receive training to ensure that discussions which evidence Governing Body acting as critical friend are documented correctly.</li> <li>• Minutes template to be revised to include update/ review of actions from previous meetings</li> <li>• Review of minutes for last 12 months to be undertaken by new Clerk when in post and copies taken for the minutes file</li> <li>• When new Clerk appointed, all minutes will be reviewed to ensure that they are all signed by the Chair.</li> </ul>	New Clerk to the Governors	As soon as possible after appointment – by February 2014
5.	<p>The financial management document is out of date and does not agree with the current committee list. There is also no reference to health and safety in the terms of reference for the H&amp;S and Resources Committee.</p>	<ul style="list-style-type: none"> <li>• Governance of Financial Management Policy to be reviewed and amended in line with recent personnel/ process changes.</li> <li>• Terms of Reference for H &amp; S and Resources Committee to be revised for consideration at next meeting.</li> </ul>	<p>Business &amp; Finance Manager/ Finance Committee</p> <p>New Clerk/ Finance committee</p>	<p>May 2014</p> <p>May 2014</p>

Risk/ Issue No.	Risk/Issue	Action	Who	When
6	The School needs a robust financial recovery plan to significantly reduce its budget deficit and prevent removal of its delegated powers.	<ul style="list-style-type: none"> <li>Budget figures for 2014/15 awaited, together with projections for next two years. Upon receipt, revised three-year projections to be prepared.</li> <li>Full restructure of teaching and support staff to be undertaken starting in January 2014 to remodel workforce requirements.</li> <li>Close monitoring of expenditure to continue with monthly finance reviews between Head teacher &amp; Business &amp; Finance Manager</li> </ul>	Business & Finance Manager  Head Teacher/ Business & Finance Manager/ Governing Body  Head Teacher/ Business & Finance Manager	January 2014  By May 2014  Ongoing
7	The number of stand-alone invoices that the School processes is too high, increasing the risk of unauthorised purchases and making budgetary control more difficult.	<ul style="list-style-type: none"> <li>List of annualised expenditure in key areas, e.g. supply, general maintenance, etc. being compiled to identify areas for improvement</li> <li>Purchase orders to be raised in April 2014 for all areas identified above so that invoices received can be matched upon receipt.</li> <li>All employees to be reminded to follow authorisation process for all planned expenditure.</li> <li>Data to be obtained from Proactis team to monitor % improvement during the year.</li> </ul>	Finance & Administration Officer/ Business & Finance Manager  Finance & Administration Officer/ Business & Finance Manager  Head Teacher  Business & Finance Manager	Ongoing to March 2014  April 2014  February 2014  December 2013 (ongoing data collection)

Risk/ Issue No.	Risk/Issue	Action	Who	When
8	Invoices are not always paid promptly, increasing the risk of suppliers claiming interest for late payment.	System to be set up by Business & Finance Manager/Finance Officer to chase progress of purchase orders on a weekly basis to ensure that invoices are received and paid within terms of credit agreement	Business & Finance Manager  Finance & Administration Officer	End March 2014.
9	<p>There are some security and access issues that the School needs to address:</p> <ul style="list-style-type: none"> <li>• Pupils are gaining access through an exit only route.</li> <li>• Reception staff allow pupils access to the administration corridor through a fob-controlled door without checking whether there is someone there to meet them. This allows pupils access to unlocked offices.</li> <li>• Fob keys are not reconciled, so members of staff no longer working at the School may still have access.</li> <li>• It would be beneficial to carry out a risk-assessment of the Reception area, where there is no CCTV, panic alarms and limited exits.</li> </ul>	<ul style="list-style-type: none"> <li>• Reception staff to be advised not to allow pupil access to the admin corridor without checking that members of staff are available.</li> <li>• Members of staff occupying offices along the administration corridor issued with keys for their offices. All members of staff advised that offices should be locked when empty.</li> <li>• Caretaker to complete audit of fobs each term, making adjustments as and when required. Records to be maintained as evidence</li> <li>• Risk assessment of the Reception area to be completed as advised</li> </ul>	<p>Business &amp; Finance Manager</p> <p>Business &amp; Finance Manager</p> <p>Caretaker</p>	<p>December 2013</p> <p>December 2013</p> <p>From January 2014</p>
10	Members of staff do not have any formal guidance on lone working, which is needed for robust health and safety management.	Lone working policy to be developed using DCC guidance and made available to all staff. Hardcopy to be issued to key holders(Caretakers/ Head teacher/ Business & Finance Manager)	Business & Finance Manager	February 2014

Risk/ Issue No.	Risk/Issue	Action	Who	When
11	The School's CCTV in the 'Inclusion' Room may be breaching Data Protection requirements relating to overwriting and retention of data.	Review of School's CCTV usage and data retention requirements to be undertaken. Data Protection guidance to be reviewed and CCTV policy to be prepared for Governing Body approval.	Business & Finance Manager  Governing Body	March 2014
12	Computers are not always locked when members of staff leave them unattended, increasing the risk of unauthorised access and data security breaches.	All members of staff to be reminded, monthly, to lock computers when they are left unattended.	Personal Assistant to Head Teacher/Head Teacher	January 2014
13	The School's admissions policy does not fully comply with the Welsh Admissions Code 2013, as there are some areas of the Code that are missing from the admissions policy.	Admissions policy to be reviewed in consultation with the Welsh Admissions Code 2013 and amended as required.	Admissions Committee  New Clerk to the Governors	March 2014

## ***Denbighshire Internal Audit Services***

***Caledfryn, Smithfield Road, Denbigh, LL16 3RJ***

**Report to:** Head of Children & Family Services

**Report By:** Brenda M Steed, Audit Manager

**Date:** March 2014

**Subject:** Financial Payments to Care Leavers

### **Introduction**

The Head of Children & Family Services asked us to review the current process for making payments to care leavers, in addition to young people who present themselves as homeless (under the Southwark Judgement agreement). He expressed concerns about the volume of payments being made and whether the ethos of this process is the best way to prepare the young person for independence and financial stability.

### **Background**

We undertook a review of the Leaving Care service in 2007/8 and concluded that the service would benefit from introducing a robust financial framework and set of procedures to ensure that payments being made to care leavers are consistent and only made in line with their individual Pathway Plans.

At the time of our final follow up review, all actions had been completed and an effective control framework was in place.

### **Audit Opinion**

Our current review confirms that the same financial framework exists but the volume of payments has increased significantly, in particular cash payments, and we question how robustly the framework is being followed.

Throughout our review we were mindful of the challenges that the service faces in supporting young people, many with complex needs, and helping them prepare for adulthood. We acknowledge that an assessment to make a payment needs to consider the needs of the individual and some degree of flexibility is required;

however, it may be an appropriate time to review the method used to make the payment, in line with the Council's modernisation agenda.

The Council's duty to support homeless young people (under the Southwark Judgement agreement) has impacted significantly on the client caseload and, ultimately, the leaving care budget in the last three years to the extent that, at the time of our review, approximately £193k of the £208k budget had been spent, with more than four months of the financial year still remaining. Expenditure is likely to increase by approximately 30% from 2012/13, with a projected overspend of £100k.

Overall, we conclude that a review of the current payment process is essential to control and mitigate the growing cost to the service, which is unsustainable. Further, the service should look to reduce the number of payments made in cash where possible and to modernise the way the payments are made, e.g. using prepaid cards as an alternative and raising the young people's awareness of the need to manage their budget. It may be that, after the review, a decision is required to ascertain who is best placed to administer the payments process, e.g. whether it would be better placed in a financially-related service outside of Children's Services, to ensure that it is robustly followed and payment decisions remain objective.

# Action Plan

**Audit Review of:** Care Leavers' Service – Financial Payments

**Date:** March 2014

**Action Plan Owner:** Head of Children & Family Services

Corporate Risk/Issue Severity Key	
	<b>Critical</b> – Significant CET and Cabinet intervention
	<b>Major</b> – intervention by SLT and/or CET with Cabinet involvement
	<b>Moderate</b> – Containable at service level. Senior management and SLT may need to be kept informed

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Risk/ Issue No.	Risk/Issue	Action	Who	When
1.	<p>There is a need to undertake a review of the process currently in place for making payments to care leavers.</p> <p>Objectives should be considered to achieve the following:</p> <ul style="list-style-type: none"> <li>Setting up a bank account or alternative for every care leaver as soon as possible following referral to the service to equip them to receive payments in this way and to learn about budget management.</li> </ul>	<p>Set up a meeting with the Head of Revenues &amp; Benefits (and other staff as required) to discuss alternative methods of procuring goods and / or making payments to care leavers</p>	Rhiain Morrle / Julie Lavin & Rod Urquhart	May 2014
		<p>Following the above, to undertake a review of the current payment process and implement changes as appropriate / required.</p>	Rhiain Morrle	September 2014
		<p>Note: Bank accounts are set up for care leavers. There is a process to support some those who are unable to manage budgeting matters. Training, support and advice is in place and bank accounts applied for when the service is confident that this best meets the assessed needs of the individual young person.</p> <p>Set up a process where six-weekly reviews of the bank account situation for each young person is monitored</p>	Julie Lavin & other Social Workers	May 2014

Risk/ Issue No.	Risk/Issue	Action	Who	When
	<ul style="list-style-type: none"> <li>Maximising value for money through negotiating with third party suppliers, e.g. Arriva for bus passes or with white good suppliers, where greater discounts can be obtained through framework agreements.</li> <li>To explore more modern and secure ways of making payments, such as using pre-paid cards where the level of spend can be easily monitored and controlled. This would replace the need to administer transactions through the petty cash account, which is costly and labour intensive. (Appendix 2 provides details of some of the benefits of a pre-paid card process)</li> </ul> <p>Additionally, there is a need to consider cross-service working on this project to take advantage of skill sets outside the social care environment, e.g. price negotiation and marketing.</p>	<p>To be factored into the overall review.</p> <p>To be factored into the overall review.</p> <p>To be factored into the overall review.</p>		

Risk/ Issue No.	Risk/Issue	Action	Who	When
2.	<p>The procedures currently in place for the Care Leavers service are in need of review but we accept that it may be practical to deal with this exercise after the previous issue has been addressed.</p> <p>Linked to this, associated areas of concern include the following:</p> <ul style="list-style-type: none"> <li>• The schedule of allowances payable should be reviewed and approved by an appropriate senior manager on an annual basis.</li> <li>• The same should be followed for the leaving care first home grants (if they are to continue in the same way after the review).</li> <li>• All social workers dealing with care leavers may require some refresher training to help raise awareness of the need to adhere to the procedures if the service is to ensure a fair and consistent process and that the financial framework is robust.</li> </ul>	<ul style="list-style-type: none"> <li>• Service Manager to review schedule</li> <li>• Service Manager to review schedule</li> <li>• Workshop within Practice Group meeting</li> </ul> <p>Further revision to procedures to be made to reflect any changes to the payment process (resulting from the work in Issue 1 above)</p>	<p>Rhiain Morrle</p> <p>Rhiain Morrle</p> <p>Julie Lavin</p> <p>Rhiain Morrle</p>	<p>April 2014</p> <p>April 2014</p> <p>April 2014</p> <p>After completion of the payment process review</p>

Risk/ Issue No.	Risk/Issue	Action	Who	When
3.	<p>Until legislation is provided in respect of the Council's duty and responsibility to young people who present themselves as homeless (under the Southwark Judgement agreement) there is a need for interim guidance on the financial support that is to be provided.</p> <p>All social workers dealing with the individuals will need to be aware of its content and to adhere to it when making payments.</p>	<p>Interim policy and guidance to be rewritten / updated and shared with all relevant staff.</p> <p>Further revision to procedures to be made to reflect any changes to the payment process (resulting from the work in Issue 1 above)</p>	<p>Rhiain Morrle</p> <p>Rhiain Morrle</p>	<p>April 2014</p> <p>After completion of the payment process review</p>
4.	<p>The service should consider setting up an agreement with the care leaver to ensure that they have a responsibility to declare a change of circumstances to their Personal Advisor or Social Worker as and when their circumstances change, e.g. when DWP benefits become payable, to mitigate the risk that the service may continue to make payments indefinitely.</p>	<p>Work in progress - DCC, DWP and Barnardo's are currently working on a three-way confidentiality agreement that will allow certain information to be disclosed (i.e. benefit start dates ). This will be followed by work on an agreement where the Care Leaver can apply for benefit six weeks prior to their 18th birthday and payment to be made soon after their 18th birthday. This will eradicate the need for a balance or a compromise in our corporate parenting 'moral' duties and ensure that we are more aware of a young person's change of circumstances.</p> <p>A form for the care leaver will also be devised where they agree to inform of change of circumstances.</p>	<p>Julie Lavin, Debbie Rogers, Andrea Dixen</p> <p>Julie Lavin</p>	<p>May 2014</p> <p>May 2014</p>

### Appendix 3 - Internal Audit Follow up Reviews

Audit Report	No. of Issues Followed Up	Outcome of Follow Up
Project Management - IT Related Projects	5	<ul style="list-style-type: none"> <li>• All issues from our report now addressed</li> </ul>
Winter Maintenance	1	<ul style="list-style-type: none"> <li>• Final issue from our report now addressed</li> </ul>
Fostering Service	2	<ul style="list-style-type: none"> <li>• All issues from our report now addressed</li> </ul>
Housing Services	4	<ul style="list-style-type: none"> <li>• All issues from our report now addressed</li> </ul>
Procurement of Construction Services	18	<p><b>See copy of response below</b></p> <ul style="list-style-type: none"> <li>• Only 3 actions fully completed</li> <li>• 13 issues due for completion are still in progress</li> <li>• 3 issues not responded to</li> <li>• 3 further issues not yet due for completion are in progress</li> </ul>
Corporate Health & Safety	6	<ul style="list-style-type: none"> <li>• All issues due for completion at this stage have been addressed</li> </ul>
Deputy for Finance (Court of Protection)	5	<ul style="list-style-type: none"> <li>• 4 issues now addressed</li> <li>• 1 longer-term issue in progress and will be followed up again in May 2014</li> </ul>
Financial Systems – Rhyl-based Services	3	<ul style="list-style-type: none"> <li>• 2 of the 3 issues from our report addressed, and one is now being addressed corporately</li> </ul>

# Action Plan

**Audit Review of:** Procurement of Construction Services

**Date:** February 2014

**Action Plan Owner:** Head of Finance & Assets

Corporate Risk/Issue Severity Key	
	<b>Critical</b> – Significant CET and Cabinet intervention
	<b>Major</b> – intervention by SLT and/or CET with Cabinet involvement
	<b>Moderate</b> – Containable at service level. Senior management and SLT may need to be kept informed

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Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
1.	The Council's Procurement Strategy ran until March 2012. Setting the direction for Council procurement is vital to ensure that it is aligned with national, corporate and service requirements. A risk analysis of current spend should be assessed against the Council's requirements to show how procurement can contribute more effectively.	Develop a robust Procurement Strategy that will encompass the requirements in the latest Denbighshire Economic and Community Ambition Strategy, the Welsh Procurement Policy Statement and the Welsh Government's Construction Procurement Strategy.  Strategic Procurement Manager – January 2014	<b>In progress</b> The revision of the Procurement Strategy is currently in progress with a target to have a draft document completed by 31 March 2014	Final version will require Council approval
2.	Given the high value of construction-specific procurement across various Council services, not having a construction procurement strategy could lead to the key issues continuing without effective action and the area showing little or no improvement. In addition, the Council could suffer scrutiny if it does not adopt the National Construction Procurement Strategy.	The construction procurement strategy will be incorporated within the corporate procurement strategy. The SPU and Property Services will develop the construction procurement strategy element jointly with input from the other Council services that undertake construction procurement activity. This will need to align with the National Construction Procurement Strategy  Strategic Procurement Manager & Property Manager– January 2014	<b>In progress</b> This is on-going through the Construction Procurement Working Group. The basic premise has been established comprising <ul style="list-style-type: none"> <li>• 21<sup>st</sup> Century Schools Framework for OJEU works</li> <li>• Advertising on Sell 2 Wales for project over £250K and frameworks for work below this threshold</li> </ul>	Development of the Frameworks

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
3.	<p>The SPU has previously identified several initiatives to improve construction procurement but little progress has been made, as resources are being pulled in different directions e.g. collaboration.</p> <p>Unless a clear procurement plan is developed and prioritised, with sufficient steer from a senior level, initiatives such as introducing an e-sourcing system corporately and category leads, are likely to slip further and result in longer delays.</p>	<p>E-sourcing will be rolled out by March 2014 but it does not include interfaces for third party job costing systems e.g. asset management. A project plan and Verto is being used for this.</p> <p>To ensure that this programme is rolled out effectively there is a need to establish a project board with a senior member of staff as chair to ensure the project plans are implemented efficiently.</p> <p>Acting Strategic Procurement Manager – March 2014</p>	<p><b>In progress</b></p> <p>Delays in the creation of project templates and documentation have caused a slip in the expected roll-out date. This should now commence during April 2014. Some departments are using the system on small projects with assistance from the SPU.</p>	
4.	<p>Management information and performance measurement of construction-related spend has its limitations. This hinders the Council in identifying opportunities for price savings and cost reduction.</p> <p>The introduction of a corporate e-sourcing system over the next two years promises additional tools to help management and provide continuous improvement.</p>	<p>The SPU will develop reports to introduce better management information to services and senior managers. E-sourcing will introduce performance information by way of customer feedback logged against each supplier.</p> <p>Performance feedback will be input to the e-sourcing system and will be more transparent. The system can set reminders to prompt customers/clients to input their feedback.</p> <p>As part of the 21st Century Schools procurement project, KPIs are being established to promote continuous improvement.</p> <p>Acting Senior Procurement Manager – July 2014</p>	<p><b>Not yet due – in progress</b></p> <p>This is currently on target. The introduction of M-Power in Finance will greatly assist this requirement.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
5.	<p>Awareness of and adherence to CPRs are weak in some services. For example:</p> <ul style="list-style-type: none"> <li>when requested, Bridges and Structures were unable to produce a signed contract for works valued over £50k</li> <li>aggregate spend on suppliers on the approved lists often exceeds £100k, but little comparison is done to make sure the Council gets value for money</li> </ul>	<p>Revised CPRs have been developed and are currently out for consultation. CPR awareness workshops will be held with various services to promote awareness and understanding of CPRs. Schools and Public Realm are a priority for this training due to recent cases of non-compliance.</p> <p>Acting Senior Procurement Manager - January 2014</p>	<p><b>In progress</b> All comments have been correlated and issued to the individuals for further review. The comments are now under review by Legal Services. Once these have been received Procurement and Legal will meet to identify the issues raised. The intention is to have a final draft copy available for 31 March 2014.</p>	<p>Final version will require Council approval</p>
	<p>There is also limited awareness that the SPU could be contacted as a source of knowledge on procurement activity.</p> <p>The introduction of the e-sourcing system over the next two years along with associated training is an opportunity to reach out to service representatives and promote compliance.</p>	<p>A Construction Procurement Working Group has been convened comprising the main construction procuring services and the SPU. This group will consider and determine what is achievable and drive forward changes in respect of framework agreements and how to deal with reactive small works procurement. This will be tied in with the new framework manager role within Property.</p> <p>Acting Strategic Procurement Manager and Property Manager - Informally by August 2013 with more formal arrangements from March 2014. First group meeting held September 2013.</p>	<p><b>Complete</b> The working group has been established and meets monthly. It includes representation from Property, Procurement, Housing and Housing Renewals. An agreed way forward in terms of reactive maintenance and asbestos removal procurement has been agreed and frameworks for these elements are being developed. There are some issues with the procurement of Housing renewals works, which are individually tendered. The procurement of works between £5K-£250K is now being considered.</p>	<p>Framework development on-going. Review of Housing Renewal scheme procurement to determine best way forward.</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		<p>HR to be requested to provide a procurement training element into the standard induction training provided to all new starters within Denbighshire.</p> <p>Acting Senior Procurement Manager - October 2013</p>	<p><b>Complete</b> HR has been requested to include a Procurement Awareness session into their induction training. This will be a brief explanation on CPR's and Procurement procedures.</p>	<p>On-going discussions with the HR Trainer to ensure this takes place.</p>
6.	<p>The Council does not maintain a corporate contracts register, which is required for transparency and is an important management tool. Signed contracts are vital documents that should be easily accessible in case the Council needs to resolve disputes with any of its contractors.</p> <p><i>Note: Services may be spot purchasing goods or services but contracts specific to other departments may offer advantageous pricing if accessible.</i></p>	<p>Each service needs to start collating a list of service specific contracts in order to populate a central contract register. This requirement is already set within the revised CPRs for Heads of Service to action. In order to capture this information, the SPU has developed a spread sheet to issue to all 'tier 1' managers to populate with details of their current contracts. The spread sheet will be issued to departments in October 2013.</p> <p>Acting Senior Procurement Manager - January 2014</p> <p>Create contract register for Highways &amp; Environment.</p> <p>Performance Officer – December 2013</p> <p>E-sourcing will have a separate contract management module and any tenders going through this will automatically be included as and when services begin using it following roll-out.</p> <p>Acting Senior Procurement Manager - July 2014</p>	<p><b>In progress</b> Information has been received from the majority of departments and is currently undergoing review. Completion of the review by 31 March 2014</p> <p><b>No response</b></p> <p><b>Not yet due – in progress</b> Currently on target</p>	<p>Live contracts to be added to the Proactis e-Sourcing system when reviewed.</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
7.	<p>The Council has several different lists used for construction-related works. All have control deficiencies to different extents that could put the Council at risk of health and safety sanction, financial losses and reputation damage.</p> <p>There is an opportunity to combine approved lists, which should reduce errors, improve consistency and remove the duplication of their upkeep to reveal efficiencies.</p>	<p>The revised CPRs (out for consultation at the time of this report) reduce the limit for using approved lists for construction works to £250k (these are for individual items). It also specifies that the 'Head of Procurement' must approve the use of approved lists.</p> <p>Acting Senior Procurement Manager - January 2014</p> <p>Highways will review the Highways &amp; Environment approved list to ensure that all suppliers and contractors comply with the Council's criteria for inclusion. In the medium to long term, framework agreements for highways minor works will negate the need for approved lists in this area (See Risk Issue 9).</p> <p>Performance Officer – November 2013</p>	<p><b>Complete</b> Following the establishment of the Construction Procurement Working Group the use of Approved Lists will be discontinued for the majority of services and replaced by Framework Agreements. This removes the need for the Head of Procurement to approve their use.</p> <p><b>No response</b></p>	
8.	<p>On occasion, services and schools contract suppliers that are not on an approved list and without first consulting Property Services for advice. A contributing factor may be that they have concerns about the transparency of the costs they are being committed to without their consent or knowledge. Without clear communication channels and more cohesive working relationships, the Council and schools could fail in their obligation to maintain suitable health and safety arrangements, and poorly specified jobs could result in higher costs and</p>	<p>CPRs will be formulated to cover schools using the same format as the revised Council CPRs. This will give the necessary guidelines on acceptable procurement practices, with scope for sanction where there are any breaches.</p> <p>To support this, the SPU, Property and Internal Audit will work together to provide awareness training for schools (Finance Managers) to promote compliance.</p> <p>Acting Strategic Procurement Manager, Education Planning &amp; Resource Manager, Property Manager and Head of Internal Audit – January 2014</p>	<p><b>In progress</b> The School Cluster Groups will be used to disseminate training once CPR's have been developed. Legal Services and School Improvement are currently working on a version for schools.</p> <p>An initial awareness session with schools Finance and Business Managers has been undertaken.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	inferior quality work.	<p>Enhance the Purchasing Systems (Proactis P2P) to create additional workflow approval for construction-related purchase orders i.e. before placing an order with a supplier, a nominated construction lead will have to approve it. A prototype has been tested in Flintshire County Council. A pilot project using the procurement of furniture will be established in this Council in October 2013. This will then be extended to other commodity areas including construction once the principle has been proved.</p> <p>Acting Strategic Procurement Manager to lead, with assistance from Construction Working Group and Senior Management Accountant – April 2014</p>	<p><b>Not yet due – in progress</b> Further discussion is required with Finance on this in order to create the additional workflow required.</p>	
9.	<p>There is an opportunity for services to collaborate and pool resources to reduce costs on minor works. A framework agreement, if arranged properly, should save time and money in the long term. The challenge is to maintain a transparent and fair process that gives local suppliers (Small Medium Enterprises) an equal opportunity to win the tender. This promotes diversity and competition and ties in with the National and Council's Corporate priority of economic</p>	<p>The SPU will formulate a working group to develop both projects (Highways and Property minor works framework agreements). The building minor works framework agreement will be developed separately to highways but using the same method/approach (see specific action below). The working group will carry out analysis of all construction spend. Based on the analysis, procurement action plans will be developed for the different areas of spend.</p> <p>Acting Strategic Procurement Manager &amp; Construction Working Group – September 2013</p>	<p><b>In progress</b> Working groups for both Highways and Property have now been established. Spend analysis is ongoing at this point in time along with identification of areas of spend to establish frameworks. The intention is to commence work on establishing frameworks for asbestos removal during April 2014 with other areas by July 2014.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	regeneration.	<p>Property Services will work with the SPU business partner to develop frameworks for lower value work. Efficiencies should be possible through reducing management costs, but the cost needs to be balanced with quality and legislative compliance.</p> <p>Acting Strategic Procurement Manager &amp; Procurement Manager - Proposals will be developed by March 2014</p>	<p><b>In progress</b> As above</p>	
		<p>The Highways &amp; Environment Service Plan for 2013-14 contains an improvement activity under Outcome 1 for "Developing a minor works framework" (HES101a). Once developed, this can be rolled out to other areas of the service.</p> <p>Works Unit Manager / Performance Officer (with assistance from SPU) - Completion date for HES101a is 31 March 2014, but can possibly be brought forward should the need arise</p>	<p><b>In progress</b> This is currently in progress with the intention of having relevant frameworks in place by July 2014</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
10.	<p>Tendering and contract-related templates (e.g. H05s and pre-qualification questionnaires) are inconsistent and direct the selection of suppliers to be based on lowest value instead of best value.</p> <p>In line with Welsh Government requirements, services need to standardise PQQs (pre-qualification questionnaires), tender and contract templates to make it easier for suppliers to tender for work. If possible, this should be in coordination with other local authorities to be most effective.</p>	<p>A construction procurement working group will be formed to review all current PQQ and tender documentation (including supplementary terms and conditions) and agree on a common set of construction-related documents. The Strategic Procurement Manager is developing a set of generic templates in line with the values set within the revised CPRs. These will be circulated as part of the CPR awareness training (see action again Risk Issue 8)</p> <p>Acting Strategic Procurement Manager – January 2014</p>	<p><b>In progress</b> This action is on target for completion by end March 2014</p>	
		<p>In partnership with the SPU business partner, Property Services will review forms/letters etc. used across the Council and develop a standard set of documents. These could be used as a model for use by other local authorities (consensus on the forms has proved difficult in the past).</p> <p>Acting Strategic Procurement Manager &amp; Property Manager – January 2014</p>	<p><b>In progress</b> This is currently in progress and due for completion during April 2014</p>	
		<p>Standardise the relevant Highways &amp; Environment documents and incorporate them into the service's ISO 9001 document control system.</p> <p>Performance Officer – December 2013</p>	<p><b>No response</b></p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
11.	Many procurement projects fail if they are not properly planned and adequately resourced. Such problems could be minimised if better links were established between procurement and project management. A large, complex procurement exercise should not be able to progress without a sound business case and agreed procurement plan.	<p>The SPU is developing a checklist for procurements valued over £100k and this will shortly be available as a spread sheet. These will be linked to CPRs, the project management system (Verto) and the procurement section of the business case template.</p> <p>Acting Strategic Procurement Manager – October 2013</p>	<p><b>In progress</b> The checklist has been completed and is now under review following comments received during the CPR consultation exercise. This should be finalised in conjunction with the CPR's</p>	
		<p>New CPRs state that a procurement checklist must be completed for contracts valued over £100k. The SPU must give approval and, if the construction relates to Property, HR or ICT, additional approval is required from each of the affected services. If valued less than £100k, the questionnaire should still be completed; however, the SPU approval is not required (note: approval from HR, ICT and/or Property still applies).</p> <p>Acting Strategic Procurement Manager and Corporate Programme Office Manager – October 2013</p>	<p><b>In progress</b> As above</p>	

## Appendix 4 - Internal Audit Performance 2013/14

### *Essential Assurance - all targets 100%*

#### **Review of agreed Financial Assurance areas in Assurance Plan by 31/03/14**

We have completed 75% of the planned projects, with the remaining project to be completed to draft report stage before 31 March 2014.

#### **Review of agreed Grants & Certification Assurance areas in Assurance Plan by 31/03/14**

We have completed 80% of the planned projects, with the remaining project scheduled to be completed to draft report stage before 31 March 2014.

#### **Review of agreed Corporate Governance Assurance areas in Assurance Plan by 31/03/14**

We have completed 46% of the planned projects (6 out of 13). All the remaining projects are in progress and should be completed by 31 March 2014.

#### **Review of agreed High Corporate Risk Assurance areas in Assurance Plan by 31/03/14**

We have completed 71% of the planned projects (5 of 7) and the remaining 2 will be completed by 31 March 2014.

### *Customer Standards - all targets 100%*

#### **Contact customers at least 2 weeks in advance to arrange a suitable date for our visit**

Current performance is 93%. Shorter notice given to customer in one case.

#### **Send customers the agreed Project Scoping Document before we commence work**

Current performance is 100%

#### **Send the customer a draft report within 10 working days of the closing meeting**

Current performance is 94%. One draft report issued in 14 days due to pressure of work in the service.

#### **Send the customer our final audit report within 5 working days of agreeing the draft**

Current performance is 100%

Mae tudalen hwn yn fwriadol wag

**Adroddiad i'r:** Pwyllgor Llywodraethu Corfforaethol

**Dyddiad y Cyfarfod:** 26 Mawrth 2014

**Aelod/Swyddog Arweiniol:** Pennaeth Cyllid ac Asedau

**Awdur yr Adroddiad:** Prif Gyfrifydd

**Teitl:** 1. Amlinelliad o'r Archwiliad Ariannol Blynyddol (Cyfrifon 2013/14) a  
2. Hysbysiad o Ardystiad Cyfrifon 2012/13

---

## 1. Am beth mae'r adroddiad yn sôn?

Ceir adroddiad o'r enw 'yr Amlinelliad o'r Archwiliad Ariannol Blynyddol' ac fe'i paratowyd gan Swyddfa Archwilio Cymru (WAO) ac mae ynghlwm fel Atodiad 1. Mae'r adroddiad yn nodi materion fel rolau a chyfrifoldebau, y dull archwilio, adrodd, elfennau allweddol o'r gwaith archwilio a'r tîm archwilio ariannol.

Darparu'r Pwyllgor gyda hysbysiad ffurfiol fod y broses ardystio archwilio ar gyfer Datganiad Cyfrifon 2012/13 wedi ei chwblhau.

## 2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

Mae'n ofynnol i'r archwilwyr allanol baratoi a chyflwyno'r adroddiad hwn er mwyn cyflawni eu gofynion o dan safonau archwilio ac arferion archwilio priodol. Darperir yr adroddiad er gwybodaeth.

I roi gwybod i'r aelodau bod proses ardystio Datganiad Cyfrifon 2012/13 wedi dod i ben yn ffurfiol.

## 3. Beth yw'r Argymhellion?

Bod y Pwyllgor yn ystyried cynnwys adroddiad Swyddfa Archwilio Cymru. Bydd cynrychiolwyr Swyddfa Archwilio Cymru yn bresennol yn y cyfarfod i ateb cwestiynau mewn perthynas â'r adroddiad.

I nodi bod y broses ardystio wedi dod i ben yn ffurfiol mewn perthynas â Datganiad Cyfrifon 2012/13.

## 4. Manylion am yr Adroddiad

### **Amlinelliad o'r Archwiliad Blynyddol**

Mae adroddiad Swyddfa Archwilio Cymru yn rhoi amlinelliad o'r gwaith archwilio ariannol i'r Cyngor, sydd ei angen ar gyfer datganiadau ariannol 2013-14. Mae hefyd yn darparu gwybodaeth am y dull archwilio, gan gynnwys y risgiau archwilio allweddol sydd wedi'u nodi yn ystod y broses gynllunio gychwynnol a'r camau bwriedig i fynd i'r afael â nhw. Bydd y gwaith archwilio

ariannol ar y meysydd risg hyn yn cael eu defnyddio i lywio barn archwilio ar y datganiadau ariannol.

### **Datganiad Cyfrifon 2012/13**

Mae rhan o'r broses archwilio statudol yn caniatáu i'r cyhoedd archwilio'r cyfrifon ac yn gwahodd partion â diddordeb i godi cwestiynau a gwrthwynebiadau am drafodion o fewn y flwyddyn ariannol. Codwyd cwestiynau ynghylch nifer o bynciau yn uniongyrchol gyda'r cyngor a chyflenwyd gwybodaeth a chopiau o ddogfennau amrywiol. Fe wnaeth y cyngor gyflawni ei ofynion yn hyn o beth. Yn dilyn hynny, codwyd rhai o'r un materion yn ffurfiol fel gwrthwynebiadau o dan yr un broses gyda Swyddfa Archwilio Cymru. Ar yr adeg y cymeradwywyd y cyfrifon gan y cyngor ym mis Medi 2013, roedd Swyddfa Archwilio Cymru yn dal mewn gohebiaeth gyda dau aelod o'r cyhoedd a oedd wedi codi gwrthwynebiadau.

Gellir cadarnhau nawr bod pob gohebiaeth wedi dod i ben a'r materion wedi'u datrys. Ni wnaeth yr un gwrthwynebiad a godwyd o dan y broses arolygu cyhoeddus arwain at newidiadau i'r ffigurau neu'r nodiadau ategol a ddatgelwyd yng nghyfrifon 2012/13.

### **5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?**

Mae'r gwasanaeth archwilio yn ddarpariaeth statudol. Mae'n ofynnol i'r Archwilydd Penodedig, o dan Ddeddf Archwilio Cyhoeddus (Cymru) 2004 i archwilio ac ardystio datganiadau ariannol y Cyngor. Mae'n ofynnol i'r Archwilydd Penodedig hefyd fod yn fodlon bod y Cyngor wedi gwneud trefniadau priodol ar gyfer sicrhau darbodusrwydd, effeithlonrwydd ac effeithiolrwydd yn ei ddefnydd o adnoddau.

### **6. Faint fydd hyn yn costio a sut bydd yn effeithio ar wasanaethau eraill?**

Nid yw'r ffioedd ar gyfer gwaith a wnaed gan Swyddfa Archwilio Cymru mewn perthynas â'r archwiliad ariannol wedi'u cwblhau eto. Mae rhagor o fanylion am y rhesymau yn cael eu cynnwys yn eu hadroddiad.

### **7. Pa ymgynghori sydd wedi digwydd?**

Mae cynnwys bras yr adroddiad wedi cael ei drafod gyda'r Pennaeth Cyllid ac Asedau ac uwch aelodau o'r Adran Gyllid.

### **8. Datganiad y Prif Swyddog Cyllid**

Mae'r archwiliad blynyddol yn ddarpariaeth statudol. Bydd ffioedd archwilio yn cael eu hystyried pan fyddant wedi cael eu cwblhau. Mae'r ffioedd yn ymrwymiad cyllideb presennol i'r awdurdod. Ni wnaeth y materion a godwyd o dan gylch gwaith y cyhoedd yn archwilio cyfrifon arwain at unrhyw newid i'r cyfrifon neu unrhyw faterion llywodraethu ehangach.

**9. Pa risgiau sy'n bodoli ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?**

Dylai'r broses archwilio amlygu unrhyw risgiau sylweddol ac ymateb y rheolwyr i fynd i'r afael neu leihau risg neu effaith.

Mae tudalen hwn yn fwriadol wag



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Financial Audit Outline

## Denbighshire County Council

**Audit year:** 2013-14

**Issued:** March 2014

**Document reference:** 187A2014

**This document is a draft pending further discussions with the audited body. The contents of this draft may not yet have been fully verified and should not be distributed beyond those at Denbighshire County Council who have a business need to access it.**

# Status of document

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This document has been prepared for the internal use of Denbighshire County Council as part of work performed/to be performed in accordance with statutory functions, the Code of Audit Practice and the Statement of Responsibilities issued by the Auditor General for Wales.

To the maximum extent permitted by law, the Wales Audit Office (the Auditor General and his staff) and, where applicable, the appointed auditor do not accept any liability for losses incurred by any member, officer or other employee in their individual capacity, or any third party arising from use of this document.

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This document was produced by Derwyn Owen, Anthony Veale and Nick Raynor.

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# Annual Financial Audit Outline

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## Introduction

1. This Annual Financial Audit Outline has been prepared by Derwyn Owen, Engagement Lead on behalf of Anthony Barrett, the Appointed Auditor.
2. As your external auditor my objective is to carry out an audit which discharges my statutory duties as Appointed Auditor and fulfils my obligations under the Code of Audit Practice, namely to:
  - examine and certify whether your financial statements are 'true and fair'; and
  - assess whether you have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.
3. The purpose of this outline is to explain to you:
  - My audit team's approach to:
    - the audit of your financial statements for the year ending 31 March 2014 including the significant risks of material misstatement in your financial statements and how we plan to address them; and
    - the assessment of your arrangements for securing economy, efficiency and effectiveness in the use of resources.
  - The planned timetable, fees and audit team.
  - The scope of the audit, our respective responsibilities and how we ensure independence and objectivity in our work.
4. There have been no limitations imposed on me in planning the scope of this audit.

## Financial statements audit

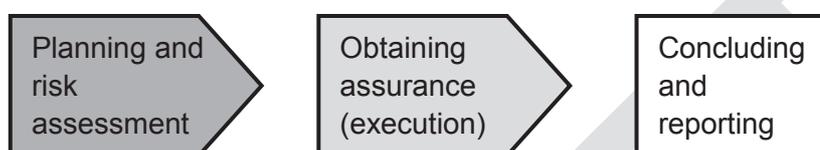
5. It is my responsibility to issue a report on the financial statements which includes an opinion on:
  - Whether or not the accounts give a 'true and fair view' of Denbighshire County Council's (the Council) financial out-turn and position. This provides assurance that the accounts:
    - are free from material misstatement, whether caused by fraud or error;
    - comply with statutory and other applicable requirements; and
    - comply with all relevant requirements for accounting presentation and disclosure.
  - The consistency of information in the Explanatory Foreword with the financial statements.
6. My report must also state by exception if the Annual Governance Statement for 2013-14 does not comply with requirements.

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## Audit approach

7. My team's audit work uses a range of techniques to assess risk and obtain audit evidence and assurance and is based on a thorough understanding of your business. This understanding allows my team to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the financial statements as a whole. Our audit approach consists of three phases as set out in [Exhibit 1](#).

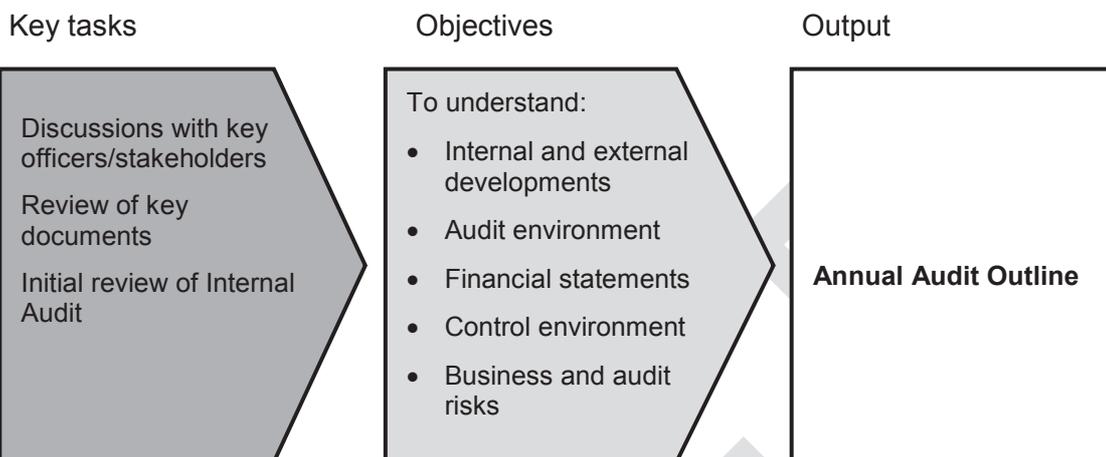
### Exhibit 1: Our audit approach



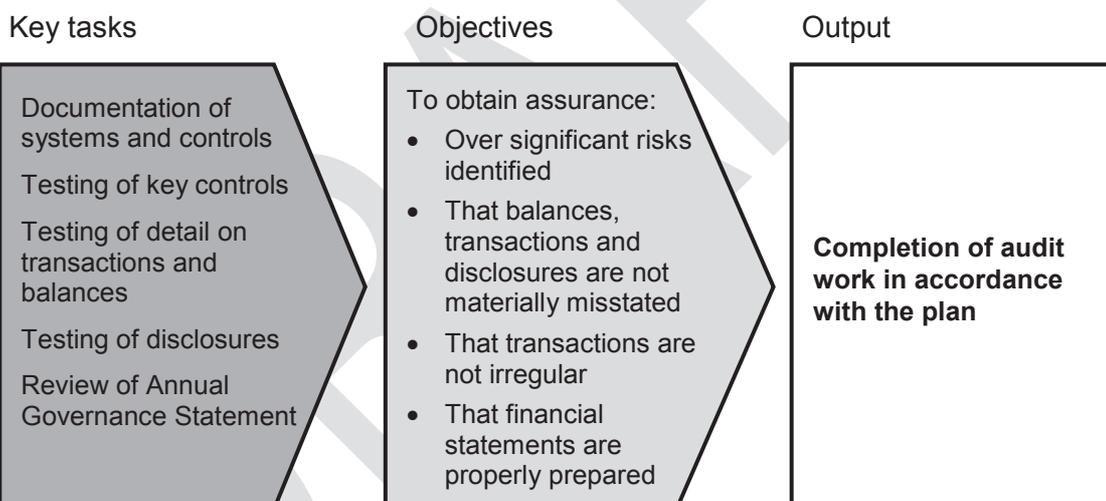
8. The work undertaken in each of these three areas is set out in more detail in [Exhibit 2](#).
9. I do not seek to obtain absolute assurance that the financial statements and related notes are true and fair, but adopt a concept of materiality. In planning and executing the audit, we aim to identify material misstatements in the financial statements and related notes, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Audit Committee prior to completion of the audit.
10. For reporting purposes, we will treat any misstatements below a 'trivial' level (the lower of five per cent of materiality or £100,000) as not requiring consideration by those charged with governance and therefore will not report them.

Exhibit 2: Our audit approach

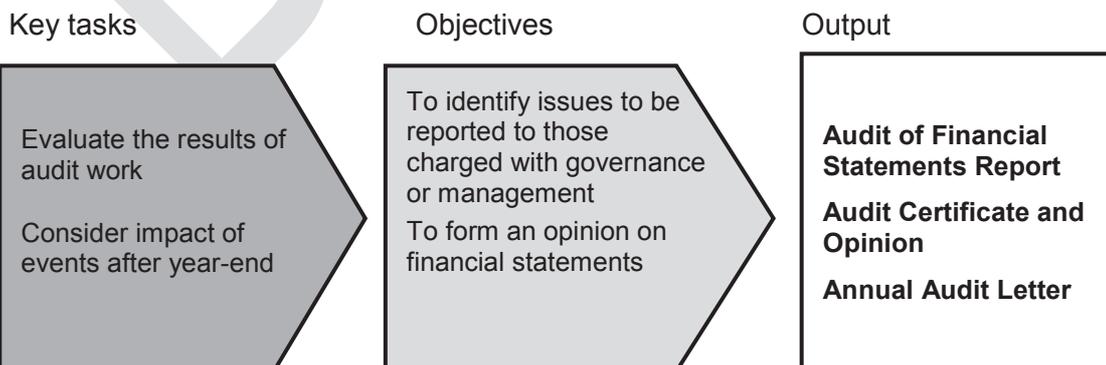
**Planning and risk assessment**



**Obtaining assurance (execution)**



**Concluding and reporting**



- 
11. In planning my work and obtaining an understanding of the Council, I consider the control environment including the activities of Internal Audit to determine the potential impact of its work on my planned procedures and to evaluate the extent to which I can rely on that work.
12. As part of the planning process, my staff considered the information which would be required to support the accounts submitted for audit. The fees, once agreed, will assume that this information will be provided by the timescales agreed and to the quality standards that we expect. My other main assumptions in setting the estimated fees will be that:
- Appropriate accommodation and facilities are provided to enable my audit team to deliver our audit in an efficient manner;
  - The financial statements and supporting working papers have been subject to review and validation by management, to provide the Responsible Financial Officer with assurance that they are 'true and fair';
  - All appropriate officials will be available during the audit;
  - You have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me; and
  - Internal Audit has completed its planned programme of work and that management has taken all necessary remedial action on issues that could have affected the financial statements.
13. The Council is now the lead authority for the Joint Committee in respect of the Area of Natural Beauty (AONB). We will need to be formally appointed as the external auditor of this Joint Committee and confirm an additional audit fee with officers.

## Audit risks and issues

### Risks of material misstatement in the accounting statements

14. **Exhibit 3** 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 3: Summary of main audit risks and proposed responses

Risks	Action proposed
<b>Control environment risks</b>	
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk. In addition, the Council continues to face significant financial pressures, including funding cuts. The current financial pressures on the Council increase the risk that management judgements and estimates could be biased in an effort to meet its financial challenges.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li> <li>• focus its testing on areas of the financial statements which could contain reporting bias;</li> <li>• evaluate the rationale for any significant transactions outside the normal course of business; and</li> <li>• test the posting of transactions to the general ledger before and after the year-end to ensure that income and expenditure is correctly recorded in the appropriate year of account.</li> </ul>
<b>Financial systems risks</b>	
<p>Risk that the Council's procedures high-level financial controls are not designed or operating effectively to prevent and detect material misstatements in the financial statements.</p>	<p>We will review the design and test the operation of high-level controls in the:</p> <ul style="list-style-type: none"> <li>• main accounting system;</li> <li>• budgetary control system; and</li> <li>• the accounts preparation process.</li> </ul>
<b>Preparation of the accounts risks</b>	
<p>Risk that changes to the financial statements to comply with the 2013-14 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) may be incorrectly completed.</p>	<p>We will review the draft financial statements to ensure that they have been prepared, in all material respects, in accordance with the Code.</p>
<p>Risk of material misstatement in the financial statements arising from the revaluation of property including council houses.</p>	<p>We will assess the revaluation ensuring that the revaluation has been conducted in line with accounting policies and that it has been, in material respects, accurately reflected in the financial statements.</p>

Risks	Action proposed
<p>I have identified a number of disclosures as being material by nature. These include the disclosure of Related Parties, Remuneration note and Members Allowances.</p> <p>There is a risk that exit packages paid by the Council do not fully comply with the requirements of the Code and Council policy. We have considered such payments as sensitive items of expenditure and therefore material by nature.</p>	<p>We will design detailed testing to obtain the required assurance that disclosures identified as material by nature have not been misstated.</p> <p>My audit team will consider the accounting treatment and disclosure of exit packages.</p>
<p>The preparation of the financial statements will involve the estimation of a number of account figures such as provisions for the Council's liabilities (e.g. equal pay claims, and insurance provisions).</p>	<p>We will review:</p> <ul style="list-style-type: none"> <li>the annual assessment made by officers of the basis on which estimates are made and revised in line with the latest information; and</li> <li>documentation held to support estimates derived and judgements made, and refer to papers provided in support of them.</li> </ul> <p>We will also monitor the impact of any Council decision in respect of Clwyd Leisure with a view to assessing whether there are any financial implications or accounting issues that need to be considered by the Council in respect of the 2013-14 financial statements.</p>
Financial statements risks	
<p>Risk of material misstatement in the financial statements arising from error or omission of transactions, balances and disclosure.</p>	<p>On receipt of the 2013-14 draft financial statements in June 2014, we will undertake a review of the statements and update our risk assessment accordingly. We will design audit testing programmes to focus our work on material balances and transactions and any additional financial statement risks that arise following our review of the draft financial statements.</p>

### Accounting and reporting issues

15. In addition to the significant audit risks set out above, I also need to consider any new financial accounting and reporting requirements which impact on my responsibilities. I summarise the more significant accounting and reporting changes that apply to 2013-14 in [Exhibit 4](#).

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## Exhibit 4: Significant accounting and reporting changes for 2013-14

### Accounting and reporting change

#### **IAS 1 Presentation of Financial Statements**

The Comprehensive Income and Expenditure Statement has been amended as a result of the June 2011 amendments to IAS 1 *Presentation of Financial Statements* (where relevant to an authority) and the June 2011 amendments to IAS 19. The requirement for Financing and Investment Income and Expenditure to include 'pensions interest cost and expected return on pensions assets' has been replaced by 'net interest on the net defined benefit liability (asset)'. Financing and Investment Income and Expenditure also now includes 're-measurements of the net defined benefit liability (asset) for long-term employee benefits recognised in accordance with section 6.2'.

#### **IAS 19 Employee Benefits**

Chapter 6 of the code includes revisions as a result of the June 2011 amendments to IAS 19 *Employee Benefits*:

- amendments to the definitions in section 6.1;
- updated terminology, amendments to the recognition requirements and clarifications of the disclosure requirements in section 6.2;
- amendments to the recognition requirements of section 6.3 Termination Benefits and clarification of the disclosure requirements; and
- amendments to the classification, recognition, measurement and disclosure requirements in section 6.4 Post-employment Benefits.

## Use of resources audit

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 (the Measure), 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.

## Certification of grant claims and returns

17. The Appointed Auditor, acting as an agent of the Auditor General, undertakes certification work on the Council's grant claims and returns in accordance with instructions issued by the Auditor General.

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## Overall issues identified

18. **Exhibit 5** summarises the key issues I identified when undertaking grant certification work in 2012-13.

### Exhibit 5: Overall issues relating to grant claim and return certification

#### Qualified grant claims and returns qualified in 2012-13

In 2013-14 my team audited 24 grant claims and returns, of which two were qualified and amended and 12 were amended. The claims and returns were largely amended or qualified as they were not completed in line with guidance or did not agree with supporting records. There were no significant risks relating to specific grant claims and returns which I need to consider for the purposes of my financial statements audit.

## Other work undertaken

19. In addition to my responsibilities in respect of the audit of the body's statutory financial statements set out above, I am also required to certify a return to the Welsh Government which provides information about the Council to support preparation of Whole of Government Accounts.

## Auditor General's Regulatory Programme

20. 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 Measure.

## Fee, audit team and timetable

### Fee

21. We are currently unable to provide you with an estimate of our fee for our 2013-14 audit work.
22. Owing to the requirements of the Public Audit (Wales) Act 2013, we have needed to revise our approach to fee setting. This Act introduces a slightly revised fee-setting requirement on the new Wales Audit Office for all our audit work once its provisions come into effect from 1 April 2014. In anticipation of this new requirement, we have needed to take legal advice to clarify a number of its provisions. In the light of that advice, we have reviewed our cost allocation and apportionment processes to ensure that going forward our fee setting will fully comply with these new statutory requirements. This unfortunately has been a time-consuming process. The exercise has now been completed and the Auditor General is currently consulting on his fee

- 
- scales, which take account of revisions made in anticipation of the new legislation. That consultation provides further information about the new legislative requirements.
23. After the end of the consultation process (28 February 2014), and after considering the consultation responses, we will be able to provide you with an estimate of your fee for 2013-14, which we anticipate being able to do in late March 2014.
  24. Planning will be ongoing, and changes to my programme of audit work and therefore my fee may be required if any key new risks emerge. I shall make no changes without first discussing them with the Head of Finance and Assets. Further information on the new Wales Audit Office fee scales and fee setting will be provided once finalised.
  25. In previous years, there have been a number of formal objections to the Council's financial statements. In addition, I receive a number of queries and items of correspondence from members of the public and other interested parties. A small amount of time will be included within the fee to deal with minor queries, as part of the overall management of the audit.
  26. 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.
  27. 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.
  28. Further information on the Auditor General's fee scales and fee setting can be found on our website at: [www.wao.gov.uk/aboutus/4240.asp](http://www.wao.gov.uk/aboutus/4240.asp).

## Audit team

29. **Exhibit 6** highlights the key members of the audit engagement at the Council. I can 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.
30. With regards to the exception noted above, one member of the audit team is related to a member of the Council's administration staff. We have reviewed this and 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 Cadwaladr Local Health Board, or the Council's payroll.

### Exhibit 6: My team

Name	Role	Contact number	E-mail address
Derwyn Owen	Engagement Lead – Financial Audit	02920 320651	derwyn.owen@wao.gov.uk
Anthony Veale	Financial Audit Manager	02920 320585	anthony.veale@wao.gov.uk
Nick Raynor	Financial Audit Team Leader	01824 706270	nicholas.raynor@wao.gov.uk

### Timetable

31. I will provide reports, or other outputs as agreed, to the Audit Committee covering the areas of work identified in this document. My key milestones are set out in [Exhibit 7](#).

### Exhibit 7: Timetable

Planned output	Work undertaken	Report finalised
<b>Annual Financial Audit Outline for 2014</b>	December 2013 – February 2014	March 2014
<b>Financial accounts work:</b> <ul style="list-style-type: none"> <li>Annual Assessment of Internal Audit</li> <li>Audit of Financial Statements Report</li> <li>Opinion on Financial Statements</li> <li>Whole of Government Accounts</li> <li>Financial Accounts Memorandum</li> </ul>	March 2014 July - September 2014 September 2014 September 2014 September 2014	May 2014 September 2014 September 2014 September 2014 September 2014
<b>Use of Resources Work</b>	September – October 2014	November 2014
<b>Annual Audit Letter 2014</b>	October 2014	November 2014
<b>Outline of Audit Work for 2015</b>	December 2014 – February 2015	March 2015

# Appendix 1

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## Roles and responsibilities

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 2013-14 financial statements.

The Public Audit (Wales) Act 2013 (the 2013 Act) sets out that the Auditor General is to be the auditor of local government bodies in Wales. The 2013 Act does, however, provide transitional arrangements where the appointment of a person as an auditor under section 13 of the Public Audit (Wales) Act 2004 continues to have effect until the end of the period for which the appointment was made (subject to any earlier termination). The Auditor General has appointed me as the auditor of the Council's accounts for the year ending 31 March 2014.

As Appointed Auditor, I am required by the Public Audit (Wales) Act 2004 to examine and certify the accounts of the Council. In accordance with professional standards that apply by virtue of the Code of Audit Practice set under the Act, 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.

I am also required to certify that the audit has been completed in accordance with the Public Audit (Wales) Act 2004.

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.

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.

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.





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

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**Adroddiad i'r:** Pwyllgor Llywodraethu Corfforaethol

**Dyddiad y Cyfarfod:** 26 Mawrth 2014

**Aelod/Swyddog Arweiniol:** Barbara Smith - Aelod Arweiniol dros Foderneiddio a Pherfformiad  
Alan Smith - Pennaeth Gwella Busnes a Moderneiddio

**Awdur yr Adroddiad:** Ivan Butler - Pennaeth Archwilio Mewnol

**Teitl:** Adroddiad drafft - 'Darparu llywodraethu da a gwelliant parhaus'

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## 1. Am beth mae'r adroddiad yn sôn?

Dyma ymgynghoriad cyntaf gyda'r Pwyllgor ar yr adroddiad hunanasesu ar drefniadau llywodraethu a gwella'r Cyngor ar gyfer 2013/14.

## 2. Beth yw'r rheswm dros lunio'r adroddiad hwn?

Mae'r Pwyllgor Llywodraethu Corfforaethol fel arfer yn cymeradwyo Datganiad Llywodraethu Blynyddol y Cyngor, y mae'r adroddiad hwn nawr yn ei ddisodli'r trwy gyfuno'r hunanasesiad llywodraethu blaenorol a hunanasesiad corfforaethol. Mae'n arfer da i ymgynghori'n eang ar yr hunanasesiad gydag aelodau etholedig ac uwch reolwyr ac mae hyn yn cychwyn y broses honno.

## 3. Beth yw'r Argymhellion?

Mae'r Pwyllgor yn ystyried ac yn rhoi sylwadau ar:

- y dull newydd o'r hunanasesu cyfunol;
- cynnwys yr hunanasesiad; ac
- a ydyw angen unrhyw newidiadau neu ychwanegiadau at yr hunanasesiad.

## 4. Manylion am yr Adroddiad

Mae'n cael ei ystyried yn arfer da i ddatblygu 'datganiad llywodraethu blynyddol' (AGS) sy'n ffurfio rhan o Ddatganiad o Gyfrifon y Cyngor ond, yn y gorffennol, bu rhywfaint o ddyblygu rhwng yr hunanasesu a oedd ei angen ar gyfer yr AGS a'r hunanasesu corfforaethol a oedd yn canolbwyntio mwy ar welliant parhaus. Felly, penderfynwyd cyfuno'r dogfennau i ddarparu dull arloesol sy'n arbed adnoddau ac yn darparu dull cydgysylltiedig o hunanasesu o fewn y Cyngor.

Mae Atodiad 1 yn rhoi Drafft yr ydym wedi'i alw'n 'Darparu llywodraethu da a gwelliant parhaus' sydd bellach yn agored ar gyfer ymgynghori ag aelodau etholedig ac uwch reolwyr. Dylai'r Pwyllgor nodi fod hwn yn ddrafft cynnar iawn sydd yn dal i fod yn waith ar y gweill, ac mae angen ei drafod ymhellach, yn enwedig gyda'r Uwch

Dîm Arweinyddiaeth. Bydd y fersiwn derfynol y cytunwyd arni yn cael ei llofnodi gan y Prif Swyddog Gweithredol a'r Arweinydd erbyn 30 Mehefin 2014, ac yn cael ei chyflwyno i'r Pwyllgor hwn gyda'r Datganiad o Gyfrifon.

**5. Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?**

Er nad yw'r hunan-asesiad ei hun yn cyfrannu'n uniongyrchol at Flaenoriaethau Corfforaethol, mae'n darparu asesiad a sicrwydd ar y gwaith o gyflawni'r Cynllun Corfforaethol, perfformiad gweithredol ac ariannol y Cyngor, trefniadau llywodraethu, ymgysylltu â'r gymuned ac ati, gyda phob un ohonynt yn cael eu cyfeirio tuag at gyflawni'r Blaenoriaethau Corfforaethol.

**6. Faint fydd hyn yn costio a sut bydd yn effeithio ar wasanaethau eraill?**

Nid oes unrhyw gostau ynghlwm wrth yr adroddiad hwn a'r unig effaith ar wasanaethau yw lle mae'r adroddiad yn nodi meysydd i wella; fodd bynnag, bydd gwasanaethau eisoes yn ymwybodol o'r rhain a dylent fod yn cynnwys hwn yn eu cynlluniau gwasanaethau.

**7. Beth yw'r prif gasgliadau o'r Asesiad o'r Effaith ar Gydraddoldeb (EqIA) a gynhaliwyd ar y penderfyniad? Dylid cynnwys templed yr Asesiad o Effaith ar Gydraddoldeb a gwblhawyd fel atodiad i'r adroddiad.**

Nid yw'r adroddiad hwn angen penderfyniad neu gynnig ar gyfer newid, felly nid oes unrhyw effaith ar bobl sy'n rhannu nodweddion gwarchoddedig.

**8. Pa ymgynghoriadau a gynhaliwyd gydag Archwilio ac eraill?**

Trafodwyd y ddogfen ddrafft yn CET 17 Mawrth 2014 a'r adroddiad hwn yw'r cam nesaf yn y broses ymgynghori. Bydd angen iddo gael ei drafod ymhellach gydag aelodau etholedig eraill, yna gyda'r Uwch Dîm Arweinyddiaeth Mai 2014 cyn dychwelyd i'r Pwyllgor hwn fel 'drafft terfynol' ym Mai 2014.

**9. Datganiad y Prif Swyddog Cyllid**

Nid oes unrhyw oblygiadau ariannol ynghlwm wrth yr adroddiad hwn.

**10. Pa risgiau sy'n bodoli ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?**

Dyma ymgynghoriad ar ddogfen ddrafft ac nid oes unrhyw risgiau wedi'u nodi ar hyn o bryd.

**11. Pŵer i wneud y Penderfyniad**

Nid oes angen gwneud penderfyniad ar gyfer yr adroddiad hwn, ond mae gofyniad o dan Fesur Llywodraeth Leol (Cymru) 2011 i'r 'pwyllgor archwilio' oruchwylio trefniadau llywodraethu corfforaethol y Cyngor.

# Denbighshire County Council

## Delivering good governance and continuous improvement

### Assessment of the Council's governance and improvement arrangements for 2013-14

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# Introduction

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## Why do we need an annual assessment of our governance arrangements?

Denbighshire County Council is responsible for ensuring that it has robust governance arrangements in place so that it does the right things, in the right way, for the right people, at the right time, in an inclusive, open, honest and accountable way. 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.

This document explains and assesses our governance arrangements for 2013-14 and identifies any improvements that we need to make the arrangements more robust.

## Self-assessment of our arrangements

Within our annual governance review, we are required to carry out a self-assessment of our arrangements. In the past we have also carried out a corporate self-assessment showing how we achieve continuous improvement, so we have now combined these self-assessments in an approach to avoid duplication, as managing and monitoring of performance and improvement is also an important element of good governance. This innovative new self-assessment helps us to understand our strengths and weaknesses in relation to the six key principles of good governance that we use in our governance framework:

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### Focusing on our purpose and on the outcomes for citizens and service users

**Performing effectively in clearly defined functions and roles**

**Promoting values for the whole organisation and demonstrating good governance through our behaviour**

**Taking informed and transparent decisions and managing risk**

**Developing our capacity and capability to be effective**

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

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## Focusing on our purpose and on the outcomes for citizens and service users

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### ...we are clear about what we are trying to achieve

Our Corporate Plan 2012-17 clearly shows what we are aiming to achieve and sets out our priorities for the five year period. Each year we develop a Corporate Plan Delivery Document to show what we expect to do in the forthcoming year to support the delivery of our priorities and how we will go about it. The Wales Audit Office Annual Improvement Reports conclude that we are making good progress in delivering our improvement programme, that our corporate performance management arrangements support reliable self-evaluation and that our arrangements to support improvement are good.

*Will include a paragraph relating to 'Sharpening our Act' and how to respond to challenges over the next three years*

We have clearly stated how our corporate priorities link to our medium-term financial plan and identified financial and staffing resources to support the delivery of our 2013-14 objectives.

We have a comprehensive partnership governance toolkit that provides guidance to ensure that, for each partnership, there should be a clear statement of the partnership principles, objectives and proposed outcomes. It also includes guidance on measurement of service quality so that customers receive good service, however we deliver our services. However, we are aware that not all partnerships use the toolkit, so, as part of a comprehensive review of the partnership landscape, we will need to review the guidance to ensure that it is user-friendly and effective. This review will also provide a greater knowledge and understanding of partnership activity and develop a better corporate understanding of the challenges of operational partnerships.

### ...we make sure that service users receive a high-quality service and value for money

We monitor our performance regularly and take half-yearly reports to Scrutiny and Cabinet meetings and produce an Annual Performance Report to evaluate progress. As part of our aim to be amongst the top six performing Councils in Wales, we have introduced an 'excellence threshold' approach, prioritising improvement in areas where our performance is below that of half of the other Welsh local authorities. However, we still have some improvements to make to ensure that all services are clear about this approach to implementing corporate priorities and how they will measure success.

*Will include more information on 2013/14 performance once final quarter information available in April/May*

We maintained our position as the highest performing council in Wales for a third year, based on the National Strategic Indicators, performing in the:

- top quarter of councils for more indicators than anyone else (17 out of 30);

- top half of councils for more indicators than anyone else (22 out of 30);
- bottom quarter of councils for fewer indicators than anyone else (4 out of 30).

During the year, we reviewed our Service Performance Challenge programme to provide an annual challenge by senior management and elected members for all services that is significantly more robust and focused more on service performance and improvement. The challenge uses a variety of reports and a service self-assessment to review performance against the service plan, benchmarking information and a 'need and demand' report, which highlights possible future pressures and changes in the external environment that the service may need to respond to. The new process addresses the Wales Audit Office's concerns that our assessment of performance and efficiency may have been based on too narrow a range of evidence in the past.

The Wales Audit Office provided an unqualified audit report on our financial statements for 2012-13, raising no significant issues or material weaknesses in our internal controls. Our Internal Audit service reviews our key financial systems annually and provided positive reports during the year apart from a critical report on the procurement of construction services that highlighted several weaknesses, including that our procurement strategy is out of date. Internal Audit's recent follow up of the improvement action plan shows that, although we have developed a new draft strategy and Contract Procedure Rules, progress with improvement is slow and behind schedule.

Also in procurement, we are involved in the development of some key projects:

- We are developing a business case for a sub-regional procurement service - the Three County Project, which will be a collaboration arrangement with Gwynedd County Council and Flintshire County Council. This new organisation will introduce a category management approach to procurement that will bring significant economy of scale for regularly purchased commodities. At this stage it is too early to say whether this arrangement will be successful, but early indications suggest that the project could realise efficiencies of up to £4m per year, based on similar related projects undertaken in other local authorities.
- Denbighshire and Flintshire Councils are merging their procurement services to streamline procurement processes and have a more effective use of resources in readiness for the development of the Three County Project.
- We are implementing a new e-sourcing system and centralised invoice registration project that will also impact on the procurement function.
- The creation of the National Procurement Service has also added to the complexity of procurement arrangements and led to a loss of staff to the new organisation, with potential further staffing losses.

We are aware that we are entering a critical period in relation to strategic procurement and the major changes that we are making; therefore, we will need to keep this area under regular review to ensure that the identified improvements are implemented and that the strategic programmes of change are successfully delivered.

During the year, we have continued to improve management of our programmes and projects but realise that we still have work to do to fully embed this into the Council's culture. We have developed the Verto system and tailored it with the PRINCE2 methodology to provide a consistent approach to project and programme delivery, which is rigorous and flexible, allowing for overall improved delivery in quality, cost, time and scope of projects across the Council. We will continually improve the use of the system as a project management tool to enable closer working with performance management and the service business planning process.

There are two Corporate Programmes - Economic and Community Ambition and Modernisation, both developed in response to corporate priorities. We also have two service-led programmes - Modernising Education and Modernising Social Services. Each Programme has a Senior Responsible Owner at Corporate Director level and a dedicated Programme Manager. Each of the Programme Boards has Member representation, which includes Cabinet Members with a relevant portfolio responsibility.

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## Performing effectively in clearly defined functions & roles

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### ...we are clear about the roles and responsibilities in our organisation

The Council's main governance guidance is provided in our comprehensive Constitution that:

- clearly sets out respective roles & responsibilities of elected members and officers, particularly relating to governance, although it needs to be updated to take account of changed role titles and elected member portfolios;
- includes a formal scheme of delegation and reserve powers for decision-making; and
- includes the process for holding County Council and Cabinet to account for their decisions and performance.

Our partnership governance toolkit provides guidance on defining each partner's role in the partnership, line management responsibilities for staff supporting the partnership and legal status but does not provide clear guidance on the roles of partnership board members. We have already identified the need to review this guidance, as we are aware that it is not always used by partnerships.

Will include reference to organisations that the Council provides funding to and the need to receive assurance about their governance arrangements, financial and operational performance

### ...we make sure that we carry out these roles and responsibilities

Our Constitution includes a protocol to ensure that elected members and employees understand each other's roles and work effectively together.

We have clearly identified the roles and responsibilities of key officers in the Council:

- Our CEO is responsible and accountable to the organisation for all aspects of operational management;
- Our S151 Officer is responsible for ensuring that appropriate advice is given to the organisation on all financial matters, keeping proper financial records and accounts, and maintaining an effective system of internal financial control; and
- Our Monitoring Officer is responsible for ensuring that the organisation follows agreed procedures and complies with all applicable statutes and regulations.

We have clear arrangements for the remuneration of employees and elected members.

## Promoting values for the whole organisation and demonstrating good governance through our behaviour

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### ...we ensure that our organisational values are put into practice and are effective

We have a set of core values - **Pride, Unity, Respect and Integrity** - that are well-embedded in the organisation and are clearly reflected in our Constitution, Partnership Governance Framework, Financial Regulations, Contract Procedure Rules and employee appraisal process.

Our leadership sets the tone for the organisation by creating a culture of openness, support and respect. The staff survey in 2013 reported that 83% of employees feel that the leadership team has a clear vision for the future compared to only 58% in the 2011 survey. There is also a high level of confidence (84%) in the leadership team. This same level of improved confidence is reflected at service level, with 81% believing that their service has a clear vision for the future and having confidence in their manager.

*Equalities – awaiting comments on commitment, any new developments e.g. Respect booklet – IA work ongoing on awareness of equalities issues*

### ...we provide leadership by behaving in ways that exemplify high standards of conduct and effective governance

We have various ways in which we demonstrate our core values and high standards of conduct and effective governance, for example:

- we have clear and transparent Freedom of Information arrangements to allow access to information;
- our codes of conduct for elected members and employees form part of induction training, although we need to ensure that we have arrangements in place to ensure that we regularly raise awareness of these codes;
- we have a register of financial interests and hospitality for elected members and employees to ensure transparency;
- we have a process for elected members to declare interests generally and in relation to specific issues and/or reports at meetings;
- we have a protocol to ensure that elected members and employees treat each other with respect and behave professionally;
- our customer feedback and complaints framework allows the opportunity for customers to comment on the behaviour of elected members and employees;
- we have an anti-fraud and corruption policy, although we have not reviewed and updated this since 2006;

- we have revised our whistleblowing procedures that enable issues to be raised freely with a wide range of people or bodies and these are currently out for consultation with trade unions;
- a recent Internal Audit review confirmed that our financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010);
- our Corporate Governance Committee recently carried out a self-assessment that confirmed that its terms of reference conform to the Local Government (Wales) Measure 2011;
- the Head of Internal Audit recently provided training to elected members on their governance responsibilities, as we realised that we had previously concentrated this training on the Corporate Governance Committee members and needed to ensure that all elected members are aware of their responsibilities;
- the Head of Internal Audit, Wales Audit Office and Chief Accountant provided specific refresher training to the Corporate Governance Committee on its role and responsibilities, as members had identified that they now have more knowledge of how the Council works and that this training may be more effective at this stage;
- the Head of Internal Audit's annual report confirmed that we operate an effective system of internal control, governance and risk management; and
- we operate an effective and impartial Standards Committee to uphold good behaviour by elected members.

One key weakness that we have identified is that we do not have an environmental policy or corporate approach to environmental management that would help to demonstrate our values and ethics by committing to ensuring that we help to maintain, enhance and use natural resources sustainably now and in the future.

## Taking informed and transparent decisions and managing risk

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### ...we are rigorous and transparent about how we make decisions

We have a clear decision-making framework to show who can make what decisions and we keep a comprehensive and published record of decisions made. All key decisions include an assessment of financial implications, contribution to corporate priorities, risks and equality impacts, although we are aware that we need to carry out some quality control reviews on equality impact assessments to ensure that they are robust.

We advertise our 'public' meetings in advance so that they are open for public and media attendance and all of our reports are discussed openly unless they meet strict criteria for confidential discussion.

Our scrutiny function is effective, supported by evidence and data analysis, to challenge decision-makers constructively.

### ...we use good quality information, advice and support

Elected members are provided with clear, concise but comprehensive reports and advice for decision-making that clearly explains the implications of the decision. Reports should not exceed four pages and we use a corporate report template to ensure that all information is included, together with a checklist that has to be completed in all cases to confirm that all information is included in the report before submission.

We have arrangements in place to provide and record proper professional advice on matters that have legal or financial implications well in advance of decision making and at meetings.

External advice is obtained where required, particularly in specialist areas. We have also created a Corporate Research and Intelligence team, bringing together former members of the Information and Mapping and Corporate Improvement Team. The main work of the team this year has been in providing research to support the Service Challenge Process, the development of the Economic and Community Ambition Strategy and upgrading the Council's internet mapping provision. The team has also worked to enhance research capacity in individual services, for example, training in geographical information systems delivered to the Housing and Community Development Service and the mapping of various new data sources for adult social services.

### ...we have effective risk management, information management and control systems

During the year, we updated and simplified our Risk Management Guidance, including the reporting of the Corporate Risk Register, which is now monitored by Cabinet as well as the Corporate Executive Team, giving risk management a higher profile in the organisation. The guidance is easier to follow and should help to embed risk management further in the

Council's culture. We review our Corporate Risk Register formally twice a year, with each Corporate Director considering the risks that they currently manage, reviewing mitigating actions and the external environment to assess the risk score and adding new risks as appropriate.

We have an independent and objective internal audit service providing assurance across the whole range of DCC's services, including partnerships. The Head of Internal Audit's annual report confirmed that we operate a robust system of financial and operational internal controls. The service has not yet carried out the required self-assessment review to ensure that it complies with the new Public Sector Internal Audit Standards but plans to do this early in 2014/15.

We discuss any reports of external regulators at the relevant management and elected member levels and monitor action plans arising from their reviews.

Information management was a significant governance weakness in our last two Annual Governance Statements following adverse internal and external audit reports. We have now made significant improvements to address this by forming a Corporate Information Team. In particular, we have:

- appointed a Corporate Information Manager;
- launched an Information Management Strategy;
- provided access to information training;
- achieved Public Sector Network (PSN) accreditation;
- developed an Information Assets Register;
- appointed an Access to Information Officer to manage the increasing number of access to information requests; and
- made good progress with rolling out EDRMS (electronic document records management system).

However, we recognise that we still have a lot of work to do but have identified this in our Information Management Strategy, for example:

- develop e-learning modules for several areas of training;
- improve the policy framework in areas such as email, records management and information security;
- digitise catalogues and collections in our archives;
- enhance our Publication Scheme and Disclosure Logs;
- revise and embed the corporate retention schedule; and
- achieve PSN accreditation for 2014.

## Developing our capacity and capability to be effective

### **...we make sure that our elected members and employees have the required resources, skills, knowledge and experience they need to perform well**

We have elected member and employee induction programmes to ensure that key information is imparted at an early stage; however, we need to assess the effectiveness of the employee induction process to ensure that it is still relevant and properly structured.

Our performance management framework for Cabinet and individual Lead Members assesses their performance and helps to address improvement needs; however, we need to assess how well this works in practice and whether it is leading to improvement.

Scrutiny Committees produce annual reports on their work to County Council but the Corporate Governance Committee's self-assessment highlighted that it had not formed part of this performance monitoring arrangement in recent years. It will address this in May 2014 to report on this year's performance.

Employees receive annual performance appraisals, resulting in training and development plans to help them achieve their objectives and fulfil their roles effectively. We have improved performance in this area...**need some statistics from HR to assess improvement**

We are trying to modernise the way we work so we can use valuable time and resources better. The Modernisation Board has initiated several projects that create service delivery efficiencies and we have developed an Agile Working Policy Statement and guidance that sets out how we expect employees to work in the future and also what support we can provide. To improve our efficiency and mobility, we are:

- rolling out new IT equipment;
- reviewing our office accommodation requirements;
- agreeing a hot-desk policy;
- rolling out EDRMS to more services;
- implementing Central Invoice Registration, which will reduce the number of invoices not paid on time and avoid late payment fines; and
- developing a Customer Access Strategy to look at future service delivery, customer requirements, how technology can support service delivery and how we can manage customer data to improve services.

### **...we ensure that we can continue to perform effectively during periods of change**

Strategic HR Business Partners undertake a workforce planning exercise with each service annually to identify their priorities for the coming 12 months. This enables HR to understand and prioritise the level and timing of support that services may require. The discussions with

services cover service aims and priorities, workforce profile, upcoming challenges and risks, resource and skills gaps and critical posts. This allows HR to develop a Workforce Priority Plan, agreed with the Senior Leadership Team. In addition, the data collected from performance appraisals enables us to identify corporate people development priorities for the coming 12 months.

To help develop potential senior managers of the future, we use Middle Managers conferences to engage them and we have appointed a new cohort of 'yr Hwb', consisting of members of staff across the organisation and engaging them in change activities, providing them with mentorship, training and experience in skills that maybe under-utilised in their usual day to day role.

We are 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.

Our Volunteering Strategy offers a useful starting point for developing corporate vision for volunteering. We will develop this Strategy to take into account developments across the county in areas such as time-banking pilots, partnership working, and developing initiatives to support employees to volunteer their time and expertise to benefit their communities.

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

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### ...we take an active and planned approach to dialogue with and accountability to our external regulators

We take a proactive approach to external regulation, for example:

- regular meetings to discuss developments, their work and outcomes;
- involving and consulting them on key decisions that may affect our governance arrangements;
- acting on any improvements that they identify in their reports;
- presenting their reports to the relevant committees to keep elected members informed.

### ...we engage effectively with the public and other stakeholders

We publish our Annual Statement of Accounts, including this self-assessment of our governance and improvement, on our website and it is open for public inspection and challenge for the designated period.

We publish our Annual Performance Report so that the public can see how well we are performing in the delivery of our Corporate Plan.

Our customer feedback and complaints framework provides the opportunity for customers to comment on our services. We listen to these views when deciding on service planning and improvement.

We have improved our community engagement during the year, for example:

- launching our Corporate Community Engagement Strategy and Toolkit, which is on our intranet and is a useful resource for all services. The next step is to ensure that the Strategy becomes embedded in the engagement philosophy of all services so that minimum standards are adopted;
- undertaking further work to manage our on-line consultation policies and use of on-line survey tools such as 'Survey Monkey'; and
- adopting the National Principles of Public Engagement.

We carried out a resident survey during the year with over 2000 residents taking part. *Need to include some outcomes*

In addition to the resident survey, services carry out individual engagement and consultation, usually on a specific issue, for example on our review of schools provision, or for user feedback. These influence current and future delivery of services.

The Council is the lead partner in delivering an Engagement Strategy and Action Plan on behalf of the Local Services Board (LSB). A working group, chaired by the Council is delivering work packages as part of the Strategy's action plan.

We reviewed Member Area Groups (MAGs) during 2013 to consider their effectiveness and efficiency, and to assess how well they meet their objectives and terms of reference. All of the recommendations arising from the review have been implemented and their terms of reference reviewed.

We are also commencing a review of the Town and Area Plan process to assess how the Plans will help to deliver our corporate priorities, what impact the Plans will have, whether they represent value for money and whether they have robust and effective governance arrangements in place.

We have completed and initiated several actions that have either changed or will change our engagement with businesses:

- The Leader and/or Corporate Director aim to visit the top 10 businesses in the county annually to provide an opportunity for senior Council representatives to hear from and speak with our most influential local businesses.
- We have developed a business survey that we intend to run annually and will soon be issued to provide an initial baseline for the programme and annual performance information. The majority of questions are seeking to build our knowledge and understanding of businesses in the county, their priorities and preferred communication and engagement methods.
- We have received very positive feedback from business and community respondents to the Economic and Community Ambition Strategy Consultation Programme and there is already evidence of positive feedback from businesses that we provide supportive and helpful regulatory services, so we are building on a positive relationship, adding more value.
- We have organised a high profile business engagement event for April 2014 where we will be building relationships, explaining our approach and seeking further business feedback.
- We have set targets for increasing the amount of procurement spend that goes to local businesses and started work on a local supplier engagement and development programme.
- We have progressed discussions on the creation of a multi-agency business advice and support partnership and potential one stop shop website.

However, it has become apparent that we are starting from a very low base, where the value of effective business engagement is only just being recognised, which means that we have a lot more work to do before we see the benefits that result from the above developments. We need to ensure that effective opportunities exist for businesses to provide feedback on the delivery of the Economic and Community Ambition Strategy / Programme and identify what we need to do to make engagement with the Council a valuable activity for businesses. In the longer term, as key stakeholders in the delivery of the overall vision for our economy, we need to increase business participation in making

decisions about how we plan and invest Council budgets and resources for greatest economic effect.

### **...we take an active and planned approach to responsibility to our staff**

We have a human resources strategy, policies, procedures, workforce planning etc. to help manage our staffing resources effectively, consistently and fairly. Our Strategic HR service is working on a major programme to improve its performance since being identified as a significant governance issue in last year's Annual Governance Statement. The service has also reported its progress on implementing improvements arising from an adverse Internal Audit report to the Corporate Governance Committee. There are still concerns over the delivery of the improvement programme, so to ensure that it has assurance that the service has improved and is making good progress, the Committee requested a further internal audit review in April 2014.

We have a variety of ways to ensure that we involve our employees and their representatives in decision-making. We carry out regular staff surveys and the 2013 survey resulted in an increased response rate from 37% to 44.6% over the 2011 survey. The survey highlighted that:

- more employees (83%) are proud to work for the Council;
- more employees (88%) are satisfied with the Council as an employer;
- over 90% of employees stated that they enjoy their work, know what is expected of them and get on well with their colleagues;
- change management has improved, but can perhaps be better, as only 60% feel that we plan and deliver changes well; and
- communication has improved, but can perhaps be better, as only 64% feel well-informed about what is going on in their service.

Our whistleblowing procedures ensure that employees can raise issues of concern freely with a wide range of people/bodies.

# Significant governance issues

- Last year's Annual Governance Statement included two significant governance issues relating to Strategic Human Resources and information governance. We have taken steps to improve both areas during the year so that they are no longer considered as significant governance issues, but we have highlighted above that we still have work to do in both areas.
- The issues in the table below, together with any less significant issues that we have identified in our self-assessment above, will be added to our Governance Assurance Framework Action Plan managed by the Council's Governance Group and monitored by the Corporate Governance Committee.

Significant Governance Issue 1	
Proposed action to address the issue	
Responsibility for the action	
Timescale for improvement	
Significant Governance Issue 2	
Proposed action to address the issue	
Responsibility for the action	
Timescale for improvement	

**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) .....2014**

**Signed: ..... (Chief Executive) .....2014**

Mae tudalen hwn yn fwriadol wag

<b>Adroddiad i'r :</b>	<b>Pwyllgor Llywodraethu Corfforaethol</b>
<b>Dyddiad y Cyfarfod:</b>	<b>26 Mawrth 2014</b>
<b>Aelod Arweiniol:</b>	<b>Y Cynghorydd Barbara Smith</b>
<b>Awdur yr Adroddiad:</b>	<b>Pennaeth y Gwasanaethau Cyfreithiol a Democrataidd</b>
<b>Teitl:</b>	<b>Cynrychiolaeth Aelodau ar Gyrrff Allanol – Diweddariad</b>

## **1. Am beth mae'r adroddiad yn sôn?**

- 1.1 Mae'r adroddiad yn ymwneud â threfniadau priodol ar gyfer Aelodau sy'n cynrychioli'r Cyngor ar Gyrrff Allanol i adrodd yn ôl i'r Cyngor ynglŷn â'u gwaith gyda'r Cyrff Allanol.

## **2 Beth yw'r rheswm dros lunio'r adroddiad hwn?**

- 2.1 Darparu diweddariad i'r Aelodau ynglŷn â'r gwaith sy'n cael ei gyflawni o ran dull ar gyfer yr Aelodau ar Gyrrff Allanol i adrodd yn ôl i'r Cyngor ynglŷn â gweithgareddau'r cyrrff hynny.

## **3 Beth yw'r argymhellion?**

- 3.1 Bod yr Aelodau'n ystyried cynnwys yr adroddiad hwn ac yn cytuno ar yr opsiynau i'w hargymhell i'r Cyngor.

## **4 Manylion am yr Adroddiad**

- 4.1 Mae'r Aelodau wedi ystyried adroddiad blaenorol ynglŷn â Phrotocol ar gyfer Aelodau ar Gyrrff Allanol. Gofynnodd y Pwyllgor am wybodaeth bellach ynglŷn â llunio dull er mwyn i'r Aelodau a benodir gan y Cyngor i'w gynrychioli ar Gyrrff Allanol adrodd yn ôl i'r Cyngor am eu gwaith a'r gweithgareddau gyda'r Cyrff Allanol.

- 4.2 Mae'r Cyrff Allanol y mae'r Cyngor yn penodi cynrychiolwyr ar eu cyfer yn niferus ac yn amrywiol. Yn ogystal â hyn, mae rolau'r Aelodau ar y cyrrff hynny yn amrywio'n fawr. Mae rhai o'r Aelodau'n cael eu penodi'n Gyfarwyddwyr neu'n Ymddiriedolwyr, ac mae'r ddwy rôl yn cynnwys dyletswyddau a goblygiadau cyfreithiol i'r corff y penodwyd hwy iddynt. Mae disgrifiad llawn o'r rolau hyn wedi'i gynnwys yn y Protocol a Chanllawiau ar gyfer Aelodau Etholedig a benodwyd i Gyrrff Allanol wedi'i atodi fel Atodiad 1.

- 4.3 Gofynnodd yr Aelodau mewn cyfarfod o'r Pwyllgor ym mis Tachwedd 2013 am restr o Gyrrff Allanol y penodwyd Aelodau iddynt yn ôl y categorïau canlynol:

- Cyrff sy'n gosod praesept y mae'r Cyngor yn ei gasglu
- Cyrff y mae'r Cyngor yn talu ffi tanysgrifio i fod yn aelodau
- Cyrff sy'n derbyn grant neu gymorth ariannol gan y Cyngor
- Yr holl Gyrrff Allanol eraill

Mae'r rhestr wedi'i atodi fel Atodiad 2.

4.4 Wrth ystyried a ddylai'r Aelodau adrodd yn ôl i'r Cyngor ac ym mha ffordd bydd angen i'r Pwyllgor ystyried y materion canlynol:

- A oes angen yr un amllder a manylion yn yr adroddiadau ar gyfer yr holl Gyrrff Allanol.
- A ddylai amllder a manylder yr adroddiadau ddibynnu ar lefel y risg i'r Cyngor e.e. ariannol, enw da
- Bydd gan gyfarwyddwyr ac ymddiriedolwyr ddyletswydd yn ôl cyfraith i'r cyrff y penodwyd hwy iddynt ac efallai y bydd ymrwymiad cyfrinachedd i'r corff hwnnw gan rwystro lefel y manylion y gellir eu cynnwys mewn unrhyw adroddiad.
- Y fforwm y cyflwynir yr adroddiadau iddynt
- Mae posibilrwydd o orgyffwrdd a dyblygu gyda system Adroddiadau Blyneddol yr Aelodau ynglŷn â'u gweithgareddau fel Cynghorwyr.

4.5 Mae drafft templed adroddiad wedi'i atodi i'w ystyried gan yr Aelodau yn Atodiad 3.

4.6 Gofynnir i'r Pwyllgor ystyried y materion a osodwyd yn yr adroddiad hwn a nodi eu dewisiadau er mwyn gallu ymgynghori'n llawn gyda'r holl Aelodau etholedig.

## **5 Sut mae'r penderfyniad yn cyfrannu at y Blaenoriaethau Corfforaethol?**

5.1 Gall gwaith cyrff allanol gyfrannu at gyflawni blaenoriaethau'r Cyngor a gall gwybodaeth reolaidd ar eu gweithgareddau gynorthwyo'r Cyngor wrth gynllunio gweithgareddau yn y dyfodol.

## **6 Faint fydd hyn yn ei gostio a sut bydd yn effeithio ar wasanaethau eraill?**

6.1 Bydd rhywfaint o amser staff ychwanegol i weinyddu'r broses adrodd. Dylai hyn gael ei gynnwys o fewn y gyllideb bresennol.

## **7 Pa ymgynghoriadau a gynhaliwyd, ac a gynhaliwyd Asesiad o Effaith ar Gydraddoldeb?**

7.1 Mae'r adroddiad hwn yn ddechrau ymgynghoriad gyda'r Aelodau. Nid oes angen Aseiad o Effaith ar Gydraddoldeb.

## **8 Datganiad y Prif Swyddog Cyllid**

8.1 Nid yw'n ymddangos bod yr argymhellion yn yr adroddiad hwn i gael unrhyw oblygiadau.

## **9 Pa risgiau sy'n bodoli ac a oes unrhyw beth y gallwn ei wneud i'w lleihau?**

9.1 Y risg o beidio â derbyn adroddiadau rheolaidd yw bod yr Aelodau'n dal i gael eu penodi i gyrrff allanol nad ydynt yn berthnasol i amcanion y Cyngor bellach ac yn cymryd amser yr Aelodau yn ddiangen.

## **10 Pŵer i wneud y Penderfyniad**

10.1 Adran 111 Deddf Llywodraeth Leol 1972

Mae tudalen hwn yn fwriadol wag

## 5.9 Protocol and Guidance for Elected Members appointed to Outside Bodies

This guide is intended to give a general overview of issues that affect Elected Members who are involved in outside bodies, whether or not their membership arises from an appointment by the Council. Whilst it is not possible to provide a comprehensive guide to all possible situations, the Head of Legal and Democratic Services and his staff will be able to offer specific advice where necessary.

In some cases, the persons appointed will be the Council representative in that they will be expected to bring knowledge and expertise of the Council Services and to represent the Council's views at meetings. However, there are a number of cases, for example if you are a trustee or company director, where you must look after that particular bodies' interests and to further their aims, not the Councils.

In all cases Members should:-

- Operate within the rules and/or constitution of the outside body
- Report back, where appropriate, to the Council or relevant committee
- Behave ethically and follow the Council's code of conduct where it applies
- Take an active and informed role in the affairs of the outside body

There are a number of types of outside bodies in which Councillors may become involved, either independently or, as a representative appointed by the Council. Some of the most common examples are

- A Public Authority
- Charitable trust
- Company limited by shares
- Company limited by guarantee
- Unincorporated association

The structure for each type of organisation, the management and the rules which govern them vary considerably. The following table shows how each type may be set up and managed.

Legal Status of the organisation	Governing Document	Management	Possible member involvement	Common types of organisation
A public authority	Constitution usually based on legislation	Authority	Member	National Parks Authority Fire & Rescue Authority
Charitable Trust	Trust Deed	Trustee meetings	Trustee	Playing field trusts

Company limited by guarantee	Memorandum and Articles	a) Board of Directors Meetings of members	Director	Charitable organisations, stock transfer housing companies, community associations
Company limited by shares	Memorandum and Articles	a) Board of Directors b) Meetings of shareholders	Director	Commercial organisations (e.g. joint ventures or companies providing contractual services)
Unincorporated association	Constitution	Management Committee Members meeting	Management Committee member	Community associations

In carrying out their duties as a Trustee, Director or Management Committee Member, Councillors must take decisions without being influenced by the fact that they are a Councillor. Their primary duty in acting as a representative making decisions for the outside body is to make those decisions in the interests of the organisation. However, Councillors should always ensure that their fellow directors/trustees are aware of the fact that they are Councillors.

### **Main Duties**

The following are the main legal duties of directors of companies. Most of these obligations also apply to trustees and members of committees and associations.

#### **Acting in Good Faith**

A director's primary duty is to act in good faith, in the best interests of the organisation and its objects. All directors owe a fiduciary duty to their company, which means they owe loyalty to the company and a duty of care to act in the best interests of the company, having regard to the interests of the members or shareholders of the company, the company's employees and creditors.

#### **Care, Diligence and Skill**

Directors must exercise the same degree of care which ordinary people might expect to take on their own behalf, although they need exercise no greater skill than may reasonably be expected from persons of similar knowledge and experience.

Although directors are not bound to attend all meetings of directors, attendance should be as frequent as possible and directors should ensure that they are reasonably informed at all times. Directors should not take a passing, or passive interest in the company's financial and other affairs - they are obliged to take an active and enquiring interest in the company.

Certain duties must be performed by officials, and a Board of Directors who have made sensible arrangements authorising others to act on their behalf are entitled to trust those officials to perform their duties honestly. From time to time directors should take steps to ensure that delegated responsibilities are properly performed.

### **Honesty**

Directors must exercise their powers for proper purposes only. They must not allow personal interests to conflict with those of the organisation.

Where a director is directly or indirectly interested in a contract or a proposed contract with the organisation, the director is legally bound by the Companies Acts to declare the nature of the interest at a meeting of the Board of Directors.

All company property in the hands of the directors or under their control must be used for the purpose of the organisation. It is improper for any director to make profit out of a transaction of the organisation or to accept financial inducements.

### **Not to Exceed Powers**

Directors are under a duty to see that they do not act beyond the powers of the organisation. They must ensure that they do not act beyond the powers conferred on them by the Memorandum of Association or constitution. They must not act illegally.

### **Financial Responsibility**

Directors are under a duty to ensure that the company operates within the limits of its financial resources, actual and expected. Despite the limited liability of a company, directors can incur **personal responsibility** for its debts and obligations in certain circumstances.

Directors can also be held **personally liable** if they have allowed a company to operate, or continue to operate, where there was no reasonable prospect that it could and would pay its debts, and these are left unpaid after the liquidation of the company.

It follows that Directors must be extremely scrupulous in the attention they pay to their company's present and future liquidity, and ensuring that their concerns and actions are minuted.

### **Compliance with the Companies Acts**

Directors also have a duty to ensure that the company complies with the requirements of the Companies Acts, although they will normally look to the Company Secretary to ensure compliance.

An organisation's constitution generally says little about how the Board of Directors should run the organisation. In general, a company's Memorandum and Articles of Association will state the objectives of the organisation in the broadest terms and will provide rules for the appointment and periodic re-election of the Board of Directors. The actual responsibility for the running of the organisation is in the hands of the Board and Directors must take appropriate steps to ensure good management of their companies.

## **Trustees**

If you are appointed as a trustee of a charity then the duties of trustees are generally the same as for a director but in addition you must make sure the trust acts in accordance with the aims and objectives of the trust and you should make sure that you have a clear understanding of what these are (there is normally a trust deed which sets these out).

## **Liability Issues**

In cases where Councillors act in a decision-making capacity specifically in connection with the business of the outside organisation as opposed to merely exercising their role as a representative of the Council, then they will probably be regarded as serving the particular body rather than the Council. In these circumstances, the Council and its insurers may not have agreed to provide an indemnity against claims brought against them personally. Where there is any possibility of legal liability therefore, the outside organisation should provide the appropriate insurance cover for its directors, company officers, committee members etc.

The Council's insurance cover will extend to Councillors assisting outside organisations as advisers or observers, either facilitating exchanges of views of information as an extension of their Council duties or otherwise representing the Council, but the Council's insurance cover does not extend to indemnify Councillors and officials who serve in an executive capacity on an outside body. Councillors and Officers should be clear that if they serve on an outside body as decision makers, they do so in a personal capacity. Outside bodies on which Councillors serve, therefore should provide their own insurance cover.

All those organisations seeking Denbighshire County Council to make appointments will be asked to provide evidence of the level of indemnity provided for its members. Upon commencing their duties on behalf of the organisation, each Councillor should ask the organisation to provide confirmation of the validity of their indemnity arrangements.

## **Conflicts of Interests**

Where Councillors serve as members or directors for outside bodies, it is inevitable that conflicts will arise, from time to time, between the duties they owe to the outside body and the duties they owe to the Council. Conflicting interests should be declared on every occasion. It will be a matter for the individual judgement of the Councillor as to whether he or she participates in discussion of, and votes on, the particular item of business, whether at the meeting of the outside body or a Council committee.

Decisions will be required to be made in accordance with the Code of Conduct and the rules applicable to the outside body and, where appropriate, advice should be sought and obtained from appropriate Council officials.

Provided Members are sensitive to the possibility of conflict of interest, there is no reason why they should not express a 'Council' view when acting on an outside body. However, they should make clear that they do not represent the Council on the outside body, and so cannot bind the Council by what they say. In many cases Members will be able to act as valuable links between outside bodies and the Council.

### **Members' Code of Conduct**

When outside bodies consider issues related to your Council or where you may have a personal interest in relation to the body's activities, these need to be declared in line with the rules of the outside body and the Members Code of Conduct. The specific rules adopted by each body will vary and therefore you should ask for advice and guidance from the secretary of the organisation and/or the Monitoring Officer, as appropriate.

When the Council considers issues relating to or affecting the outside body to which you have been appointed as Council representative you must declare your personal interest in the matter in accordance with the Members' Code of Conduct. If this is your only interest then it will not be considered a prejudicial interest unless the matter relates to an approval, consent, licence, permission or registration. You will also need to ensure details of your appointment are included on the Register of interests kept by the Monitoring Officer.

Confidential information must be treated with care and if you have any doubt over the status of any information then you should keep that confidential and check with the relevant officer, whether or not it is something which is already in the public domain or which may be disclosed.

The legal position is that someone who has received information in confidence is not allowed to take improper advantage of it. Deliberate leaking of confidential information will also be a breach of the Members Code of Conduct.

Where you act as a representative of the Council on an outside body, you must comply with the Code of Conduct of that body, if it has one. If it does not, you must comply with the Members' Code of Conduct unless observance of the Code would conflict with any other obligations (i.e. the duty to act in the best interests of the outside body).

Under the Code you must not:

- disclose information given to you in confidence by anyone, or information acquired which you believe is of a confidential nature, without the consent of a person authorised to give it, or unless you are required by law to do so;
- prevent another person from gaining access to information to which that person is entitled by law.

Disclosing confidential information may also contravene other parts of the Code e.g. it may be regarded as bringing the office of Councillor or the Council into disrepute; may compromise the impartiality of people who work for the Council; may improperly confer or secure an advantage or disadvantage for you or any other person.

## **Registering Interests**

Under the Council's Code of Conduct, Councillors are required to register their financial interests and other interests in the Council's Register of Interests within 28 days of their election or appointment. They must also notify the Council's Monitoring Officer, in writing, of changes to these details within 28 days of any such change.

## **Checklist for Councillors Appointed to Outside Bodies**

Prior to commencing any duties relevant to the membership of an outside body organisation, Councillors need to ensure that they follow a number of steps:

- Members should ensure that prior to accepting any invitations by outside body organisations to attend their meetings and act on their behalf, that they have firstly been properly appointed on behalf of the Council.
- Members attending a meeting of an outside body organisation for the first time should ensure that they are provided by the organisation with details of the following:-
  - The purpose of the organisation, a copy of its constitution and its terms of reference.
  - A summary of the organisation's role as an employer, as a property holder and as the body responsible for the finances of the organisation.
  - The expected role of the elected Member on the organisation and the extent of their personal liability.
  - Confirmation of the detail and validity of the organisation's insurance and indemnity arrangements to protect Members acting on its behalf.
  - Details of the dates, venue and frequency of meetings which they will be invited or expected to attend.
  - Correspondence and contact details for any queries regarding the organisation and Member's roles.

Outside Bodies  
Financial Assistance

Organisation		Councillors Appointed	Financial Assistance?
Bangor University Court	Llys Prifysgol Bangor	G Kensler [Plaid]	
Betsi Cadwaladr Community Health Council (Denbighshire Local Committee)	Cyngor Iechyd Cymunedol Betsi Cadwaladr (Pwyllgor Lleol Sir Ddinbych)	R Bartley [Ind - term will expire end of Feb 2014], B Blakeley [Lab] 1 vacancy as Ann Davies completed her maximum term of office in Sep 2013	
Bodelwyddan Castle Trust [Trust]	Ymddiriedolaeth Castell Bodelwyddan [Ymddiriedolaeth]	H Jones [Plaid], D Simmons [Lab]	Annual curatorial support £14,525
Brickfields Pond Local Nature Reserve Management Advisory Group	Grwp Rheoli Ymgynghorol Gwarchodfa Natur Leol Pwll Brickfields	P Jones [Lab], M McCarroll [Lab]	
Cadwyn Clwyd Cyfyngedig [Company Ltd by Guarantee]	Cadwyn Clwyd Cyfyngedig [Cwmni Cyfyngedig trwy Warant]	T R Hughes [Plaid]	Reimbursement of expenditure - grant claim, contributions to various projects
Canolfan Seion (Denbigh Management Committee)	Canolfan Seion (Pwyllgor Rheoli Dinbych)	C Hughes [Lab]	
Clwyd Alyn Housing Association - Llys Marchan Residential Home Advisory Committee	Cymdeithas Tai Clwyd Alyn - Pwyllgor Ymgynghorol Cartref Preswyl Llys Marchan	B Feeley [Ind]	
Clwyd Leisure Ltd	Hamdden Clwyd Cyf.	<del>W Mullen James [Lab], P Penlington [Lab]</del> - Appointments withdrawn	Grant payments, £245,059 to date
Clwyd Pension Fund	Cronfa Bensiwn Clwyd	H Jones [Plaid] with J Thompson-Hill [Con] substitute	
Clwydian Range AONB - Joint Advisory Committee [Joint Committee]	AHNE Bryniau Clwyd - Cydbwyllgor Ymgynghorol [Cydbwyllgor]	M Holland [Con], H Jones [Plaid], M Parry [Con]	
Deeside and Yale College - Shadow Board	Coleg Glannau Dyfrdwy a Choleg Ial - Bwrdd Cysgodi	R Hughes [Plaid]	
Deeside College Governing Body	Corff Llywodraethu Coleg Glannau Dyfrdwy	R Hughes [Plaid]	
Denbigh Lower Park Association	Cymdeithas Parc Isaf Dinbych	R Bartley [Ind], G Kensler [Plaid]	
Denbighshire Care & Repair Agency - Strategic Business Planning Committee	Asiantaeth Gofal a Thrwio Sir Ddinbych - Pwyllgor Cynllunio Busnes Strategol	B Cowie [Ind], C Williams [Plaid], C Hughes [Lab]	Grants to voluntary organisations
Denbighshire Community Chest Panel	Panel Cist Gymunedol Sir Ddinbych	G Kensler [Plaid], C Williams [Lab]	
Denbighshire Enterprise Agency (Clwydro Cyfyngedig)	Asiantaeth Mentrau Sir Ddinbych	R Bartley [Ind], M Davies [Plaid], M Holland [Con], M McCarroll [Lab], D Owens [Con], H Williams [Con]	Reimbursement of expenditure - grant claim
Denbighshire Rural Development Plan Partnership	Partneriaeth Cynllun Datblygu Gwledig Sir Ddinbych	H Jones [Plaid], M Parry [Ind], C Williams [Plaid], E Williams [Plaid], M Davies [Plaid]	
European Centre for Training and Regional Co-operation [Trust]	Canolfan Ewropeaidd ar gyfer Hyfforddi a Chydweithio Rhanbarthol [Ymddiriedolaeth]	T R Hughes [Plaid]	
Heather & Hillforts Partnership Board	Bwrdd Partneriaeth Grug a Bryngaerau	T R Hughes [Plaid], M Hollang [Con]	
Joint Community Safety Partnerships - Strategic Group	Cydbwyllgor Partneriaethau Diogelwch - Grwp Strategol	B Cowie [Ind], D Smith [Ind]	
Llandrillo College Governing Body [Now Local College for Rhyl and Denbigh sites]	Corff Llywodraethu Coleg Llandrillo [Cyngor Coleg Lleol ar gyfer safleoedd y Rhyl a Dinbych]	B Mellor [Lab] for Rhyl LCC, R Davies [Ind] for Denbigh LCC	
Llangollen Silver Band	Band Arian Llangollen	T R Hughes [Plaid]	
Local Access Forum	Fforwm Mynediad Lleol	M Holland [Con]	
Marine Lake User Forum	Fforwm Defnyddwyr Marine Lake	I Armstrong [Lab] with A Roberts [Plaid] as named substitute	
Menter Iaith Sir Ddinbych	Menter Iaith Sir Ddinbych	H Jones [Plaid]	Annual Membership fee £11,827
Mersey Dee Alliance	Cynghrair Merswy a Dyfrdwy	H Evans [Ind], with J Thompson-Hill [Con] and C Williams [Plaid] as named substitutes	
North and Mid Wales Trunk Road Agency [Joint Committee]	Asiantaeth Cefnfyrrdd Gogledd a Chanolbarth Cymru [Cydbwyllgor]	D Smith [Ind]	
North Wales Economic Ambition Board	Bwrdd Uchelgais Economaidd Gogledd Cymru	H Evans [Ind]	
North Wales Economic Forum	Fforwm Economaidd Gogledd Cymru	H Evans [Ind]	
North Wales Fire Authority (Executive Panel) [Joint Committee]	Awdurdod Tan Gogledd Cymru (Panel Gweithredol) [Cydbwyllgor]	R Davies [Ind], M Lloyd-Davies [Plaid], P Owen [Con]	
North Wales Fire Authority [Joint Committee]	Awdurdod Tan Gogledd Cymru [Cydbwyllgor]	P Penlington [Lab], R Davies [Ind], M Lloyd-Davies [Plaid], P Owen [Con]	Precepts £382,800 per month

Organisation		Councillors Appointed	Financial Assistance?
North Wales International Music Festival	Gwyl Gerdd Rhyngwladol Gogledd Cymru	M Lloyd-Davies [Plaid], D Owens [Con]	
North Wales Police and Crime Panel	Panel Heddlu a Throsedd Gogledd Cymru	B Cowie [Ind]	
North Wales Police Authority [Joint Committee]	Awdurdod Heddlu Gogledd Cymru [Cydbeyllgor]	B Cowie [Ind]	Precepts £706,517 per month
North Wales Police Authority Joint Appointments Committee [Joint Committee]	Cydbwyllgor Penodiadau Awdurdod Heddlu Gogledd Cymru [Cydbeyllgor]	J Butterfield [Lab], S Davies [Ind]	
North Wales Psychiatric Fund (Ablett Fund)	Cronfa Seiciatrig Gogledd Cymru (Cronfa Ablett)	R Bartley [Ind]	
North Wales Residual Waste Joint Committee	Cydbwyllgor Gwastraff Gweddilliol Gogledd Cymru [Cydbwyllgor]	E Williams [Plaid], D Smith [Plaid]	
North Wales Safer Communities Board	Bwrdd Cymunedau Diogelach Gogledd Cymru	D Smith [Ind]	
Scala Prestatyn Ltd	Scala Prestatyn Cyf.	G Sandilands [Lab]	Grants £54,470 2013/14
St Kentigern Hospice, St Asaph [Trust]	Hosbis Sant Kentigern, Llanelwy [Ymddiriedolaeth]	D Owens [Con] with A Jones [Ind] as named substitute	Chairman Donation £2,000
Taith Joint Committee [Joint Committee]	Cydbwyllgor Taith [Cydbwyllgor]	D Smith [Ind], H Hilditch-Roberts [Ind]	
Third sector Liason Group	Grwp Cyswllt Trydydd Sector	B Feeley [Ind], H Irving [Con]	
Tourism Partnership North Wales	Partneriaeth Twristiaeth Gogledd Cymru	H Jones [Plaid]	
Upper Denbigh Community Partnership, Management Committee	Partneriaeth Cymuned Dinbych Uchaf, Pwyllgor Rheoli	G Lloyd Williams [Lab], C Hughes [Lab]	
Valuation Tribunal for Wales, North Wales Region - Joint Appointing Panel	Tribiwnlys Priso Cymru, Rhanbarth Gogledd Cymru - Cyd Banel Penodi	Cefyn Williams [Plaid]	
Welsh joint Education Committee	Cydbwyllgor Addysg Cymreag	E Williams [Plaid]	SLA £35,158 to date
Welsh Local Government Association - Co-Ordinating Committee	Cymdeithas Llywodraeth Leol Cymru - Pwyllgor Cydlynu	H Evans [Ind]	
Welsh Local Government Association - Council	Cymdeithas Llywodraeth Leol Cymru - Cyngor	H Evans [Ind], J Thompson-Hill [Con]	Annual subscription £69,286.41, Employment Levy £13,869.71

**DRAFT  
DENBIGHSHIRE COUNTY COUNCIL**

**ANNUAL REPORT – COUNCIL REPRESENTATIVE’S ON OUTSIDE BODIES**

**20 /20**

Name(s) of Representative(s):			
Name of Organisation:			
No. of Meetings Held:		No. of Meetings Attended	
Please give a brief description of the purpose/aims of the Organisation:			
Please give details of the key activities/achievement/outcomes during the year:			
Do you wish to continue as the Council’s representative:			
Any other comments:			

Please return this form by .....to

Mae tudalen hwn yn fwriadol wag

## Rhaglen Gwaith i'r Dyfodol y Pwyllgor Llywodraethu Corfforaethol

<b>21 Mai 2014</b>		<b>Eitemau Sefydlog</b>		
	1	Materion a Gyfeiriwyd gan Bwyllgorau Archwilio	Cydlynnydd Archwilio, Rhian Evans	
	2	Adroddiadau Rheoleiddio Allanol Diweddar a Dderbyniwyd	Gwella Corfforaethol, Alan Smith / Craig Berry Cyng. Barbara Smith	
	3	Adroddiad Cynnydd Archwilio Mewnol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler / Cyng. Julian Thompson-Hill	
	4	Adborth am y cyfarfod Cydraddoldeb Corfforaethol – adroddiad llafar	Cynghorydd Martyn Holland Cyng. Hugh Evans	
		<b>Adroddiadau</b>		
Tudalen 125	5	Cynllun Gweithredu Fframwaith Llywodraethu Corfforaethol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler / Cyng. Julian Thompson-Hill	
	6	Adroddiad Blynyddol Archwilio Mewnol 2013/14		
	7	Adroddiad Archwilio Mewnol Adnoddau Dynol Strategol - Diweddariad		
	8	Materion Arolwg Staff	Pennaeth y Gwasanaethau Cyfreithiol a Democrataidd, Gary Williams.	
<b>2 Gorff 2014</b>		<b>Eitemau Sefydlog</b>		
	1	Materion a Gyfeiriwyd gan Bwyllgorau Archwilio	Cydlynnydd Archwilio, Rhian Evans	
	2	Adroddiadau Rheoleiddio Allanol Diweddar a Dderbyniwyd	Gwella Corfforaethol, Alan Smith / Craig Berry Cyng. Barbara Smith	
	3	Adroddiad Cynnydd Archwilio Mewnol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler /	

## Rhaglen Gwaith i'r Dyfodol y Pwyllgor Llywodraethu Corfforaethol

			Cyng. Julian Thompson-Hill	
	4	Adborth am y cyfarfod Cydraddoldeb Corfforaethol - adroddiad llafar	Cynghorydd Martyn Holland Cyng. Hugh Evans	
	5	Rhaglen Gwaith i'r Dyfodol		
		<b>Adroddiadau</b>		
<b>3 Medi 2014</b>		<b>Eitemau Sefydlog</b>		
	1	Materion a Gyfeiriwyd gan Bwyllgorau Archwilio	Cydlynnydd Archwilio, Rhian Evans	
Tudalen 126	2	Adroddiadau Rheoleiddio Allanol Diweddar a Dderbyniwyd	Gwella Corfforaethol, Alan Smith / Craig Berry Cyng. Barbara Smith	
	3	Adroddiad Cynnydd Archwilio Mewnol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler / Cyng. Julian Thompson-Hill	
	4	Adborth am y cyfarfod Cydraddoldeb Corfforaethol - adroddiad llafar	Cynghorydd Martyn Holland Cyng. Hugh Evans	
	5	Rhaglen Gwaith i'r Dyfodol		
			<b>Adroddiadau</b>	
<b>29 Medi 2014</b>		<b>Eitemau Sefydlog</b>		
	1	Materion a Gyfeiriwyd gan Bwyllgorau Archwilio	Cydlynnydd Archwilio, Rhian Evans	
	2	Adroddiadau Rheoleiddio Allanol Diweddar a Dderbyniwyd	Gwella Corfforaethol, Alan Smith / Craig Berry Cyng. Barbara Smith	
	3	Adroddiad Cynnydd Archwilio Mewnol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler / Cyng. Julian Thompson-Hill	

## Rhaglen Gwaith i'r Dyfodol y Pwyllgor Llywodraethu Corfforaethol

	4	Adborth am y cyfarfod Cydraddoldeb Corfforaethol – adroddiad llafar	Cynghorydd Martyn Holland Cyng. Hugh Evans	
	5	Rhaglen Gwaith i'r Dyfodol		
		<b>Adroddiadau</b>		
<b>5 Tach 2014</b>		<b>Eitemau Sefydlog</b>		
	1	Materion a Gyfeiriwyd gan Bwyllgorau Archwilio	Cydlynnydd Archwilio, Rhian Evans	
	2	Adroddiadau Rheoleiddio Allanol Diweddar a Dderbyniwyd	Gwella Corfforaethol, Alan Smith / Craig Berry Cyng. Barbara Smith	
Tudalen 127	3	Adroddiad Cynnydd Archwilio Mewnol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler / Cyng. Julian Thompson-Hill	
	4	Adborth am y cyfarfod Cydraddoldeb Corfforaethol – adroddiad llafar	Cynghorydd Martyn Holland Cyng. Hugh Evans	
	5	Rhaglen Gwaith i'r Dyfodol		
		<b>Adroddiadau</b>		
<b>17 Rhag 2014</b>		<b>Eitemau Sefydlog</b>		
	1	Materion a Gyfeiriwyd gan Bwyllgorau Archwilio	Cydlynnydd Archwilio, Rhian Evans	
	2	Adroddiadau Rheoleiddio Allanol Diweddar a Dderbyniwyd	Gwella Corfforaethol, Alan Smith / Craig Berry Cyng. Barbara Smith	
	3	Adroddiad Cynnydd Archwilio Mewnol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler / Cyng. Julian Thompson-Hill	

## Rhaglen Gwaith i'r Dyfodol y Pwyllgor Llywodraethu Corfforaethol

	4	Adborth am y cyfarfod Cydraddoldeb Corfforaethol – adroddiad llafar.	Cynghorydd Martyn Holland Cyng. Hugh Evans	
	5	Rhaglen Gwaith i'r Dyfodol		
		<b>Adroddiadau</b>		
<b>28 Ionawr 2015</b>		<b>Eitemau Sefydlog</b>		
	1	Materion a Gyfeiriwyd gan Bwyllgorau Archwilio	Cydlynnydd Archwilio, Rhian Evans	
Tudalen 128	2	Adroddiadau Rheoleiddio Allanol Diweddar a Dderbyniwyd	Gwella Corfforaethol, Alan Smith / Craig Berry Cyng. Barbara Smith	
	3	Adroddiad Cynnydd Archwilio Mewnol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler / Cyng. Julian Thompson-Hill	
	4	Adborth am y cyfarfod Cydraddoldeb Corfforaethol – adroddiad llafar.	Cynghorydd Martyn Holland Cyng. Hugh Evans	
	5	Rhaglen Gwaith i'r Dyfodol		
		<b>Adroddiadau</b>		
<b>25 Mawrth 2015</b>		<b>Eitemau Sefydlog</b>		
	1	Materion a Gyfeiriwyd gan Bwyllgorau Archwilio	Cydlynnydd Archwilio, Rhian Evans	
	2	Adroddiadau Rheoleiddio Allanol Diweddar a Dderbyniwyd	Gwella Corfforaethol, Alan Smith / Craig Berry Cyng. Barbara Smith	
	3	Adroddiad Cynnydd Archwilio Mewnol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler	

## Rhaglen Gwaith i'r Dyfodol y Pwyllgor Llywodraethu Corfforaethol

			/ Cyng. Julian Thompson-Hill	
	4	Adborth am y cyfarfod Cydraddoldeb Corfforaethol – adroddiad llafar.	Cynghorydd Martyn Holland Cyng. Hugh Evans	
	5	Rhaglen Gwaith i'r Dyfodol		
		<b>Adroddiadau</b>		
<b>20 Mai 2015</b>		<b>Eitemau Sefydlog</b>		
	1	Materion a Gyfeiriwyd gan Bwyllgorau Archwilio	Cydlynnydd Archwilio, Rhian Evans	
	2	Adroddiadau Rheoleiddio Allanol Diweddar a Dderbyniwyd	Gwella Corfforaethol, Alan Smith / Craig Berry Cyng. Barbara Smith	
Tudalen 129	3	Adroddiad Cynnydd Archwilio Mewnol	Pennaeth y Gwasanaethau Archwilio Mewnol, Ivan Butler / Cyng. Julian Thompson-Hill	
	4	Adborth am y cyfarfod Cydraddoldeb Corfforaethol – adroddiad llafar.	Cynghorydd Martyn Holland Cyng. Hugh Evans	
	5	Rhaglen Gwaith i'r Dyfodol		
		<b>Adroddiadau</b>		

Mae tudalen hwn yn fwriadol wag