

To: Members of the Corporate
Governance Committee

Date: 18 March 2016

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Dear Councillor

You are invited to attend a meeting of the **CORPORATE GOVERNANCE COMMITTEE** to be held at **9.00 am** on **WEDNESDAY, 23 MARCH 2016** in **CONFERENCE ROOM 1A, COUNTY HALL, RUTHIN.**

PLEASE NOTE THE MEETING STARTS AT 9.00 a.m.

Yours sincerely

G. Williams
Head of Legal, HR and Democratic Services

AGENDA

9.00 A.M. - CORPORATE GOVERNANCE COMMITTEE SELF EVALUATION REPORT

To receive a presentation on the Corporate Governance Committee Self Evaluation (copy enclosed).

1 APOLOGIES

To receive any apologies.

2 DECLARATIONS OF INTEREST

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

3 URGENT MATTERS

Notice of items, which in the opinion of the Chair should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act 1972.

4 MINUTES (Pages 21 - 32)

To receive the minutes of the Corporate Governance Committee meeting held on the 27th January, 2016.

5 BUDGET PROCESS 2015/16 (Pages 33 - 38)

To consider a report by the Chief Finance Officer, which provides an update on the process to deliver the revenue budget for 2017/18 (copy enclosed).

6 CORPORATE SAFEGUARDING UPDATE (Pages 39 - 54)

To consider a report by the head of Internal Audit (copy enclosed) which provides an update on progress in implementing the action plan that accompanied the Internal Audit report on Corporate Safeguarding in August, 2015.

7 FINANCIAL RESILIENCE OF COUNCILS IN WALES - UPDATE (Pages 55 - 80)

To receive a report from the Chief Finance Officer, on the completed assessment, undertaken by the Wales Audit Office, of the Council's 'financial resilience' following on from a national study published last year, had been circulated with the papers for the meeting.

8 RISK MANAGEMENT OF WELL-BEING OF FUTURE GENERATION ACT (Pages 81 - 88)

To consider a report by the Head of Business Improvement and Modernisation, (copy enclosed) on the changes required in the way that risk is managed in the Council.

9 CORPORATE GOVERNANCE COMMITTEE ANNUAL REPORT

To consider a verbal report by the Chair, Councillor Jason McClellan on the Corporate Governance Committee Annual Report.

10 CORPORATE FLEET MANAGEMENT UPDATE REPORT (Pages 89 - 100)

To consider a report by the Head of Internal Audit (copy enclosed) which provides an update on progress in implementing the Action Plan that accompanied the Internal Audit report on Corporate Fleet Management in October, 2015.

11 SCHOOLS FINANCIAL MANAGEMENT - UPDATE

To consider a verbal report on School Financial Management.

12 WHISTLE BLOWING POLICY (Pages 101 - 126)

To consider a report by the HR Services Manager (copy enclosed) which details the Whistleblowing Policy which has been reformatted, updated and revised in line with legislation.

13 2016 AUDIT PLAN - DENBIGHSHIRE COUNTY COUNCIL (Pages 127 - 146)

To consider a report by the Chief Finance Officer (copy enclosed) which sets out the planned programme of work for both the WAO's financial audit performance audit programme.

14 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME (Pages 147 - 150)

To consider the committee's forward work programme (copy enclosed).

MEMBERSHIP

Councillors

Ann Davies
Stuart Davies
Peter Duffy

Alice Jones
Jason McLellan

Lay Member

Paul Whitham

COPIES TO:

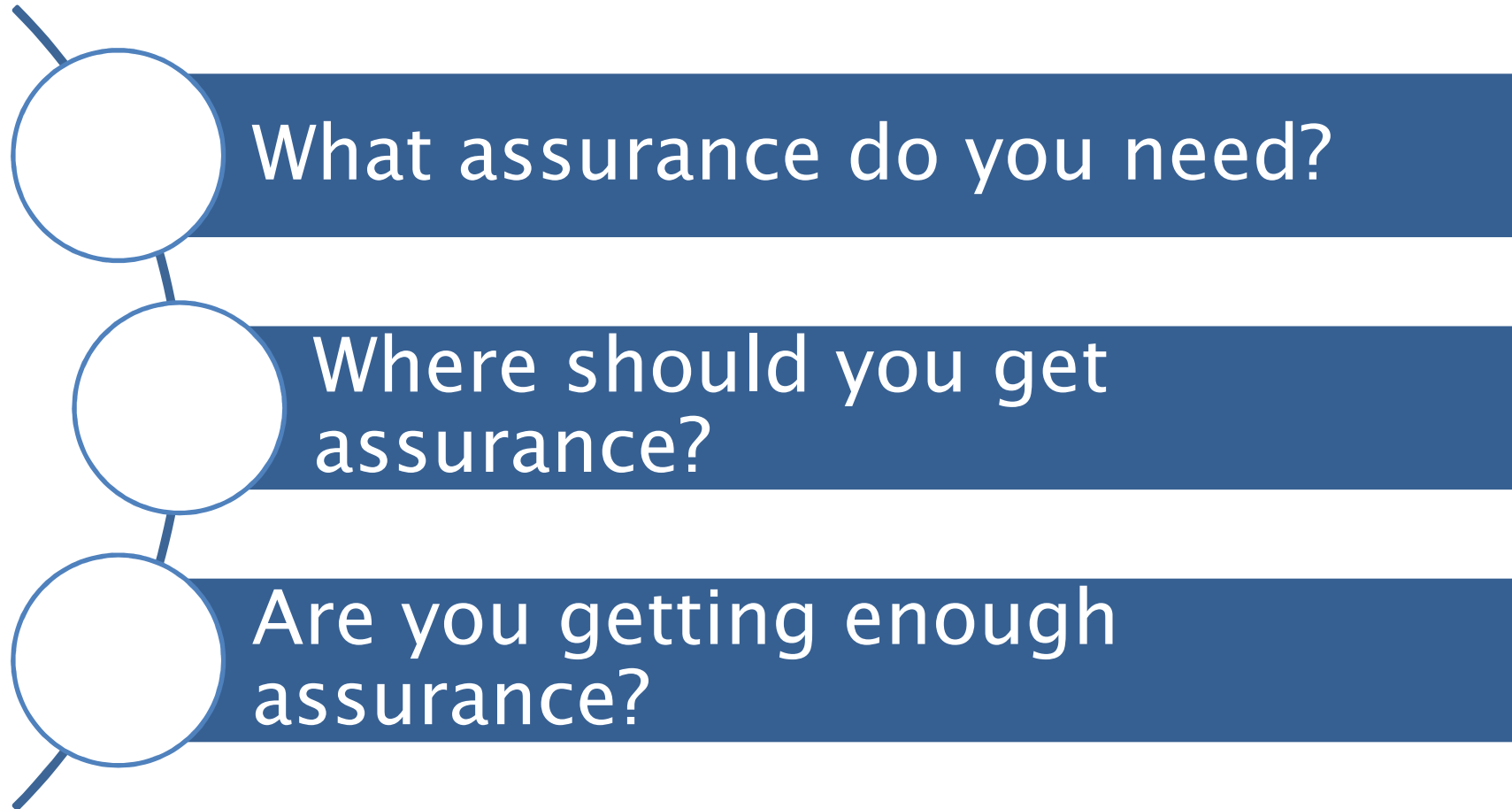
All Councillors for information
Press and Libraries
Town and Community Councils

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Corporate Governance Committee

Self-assessment January 2016

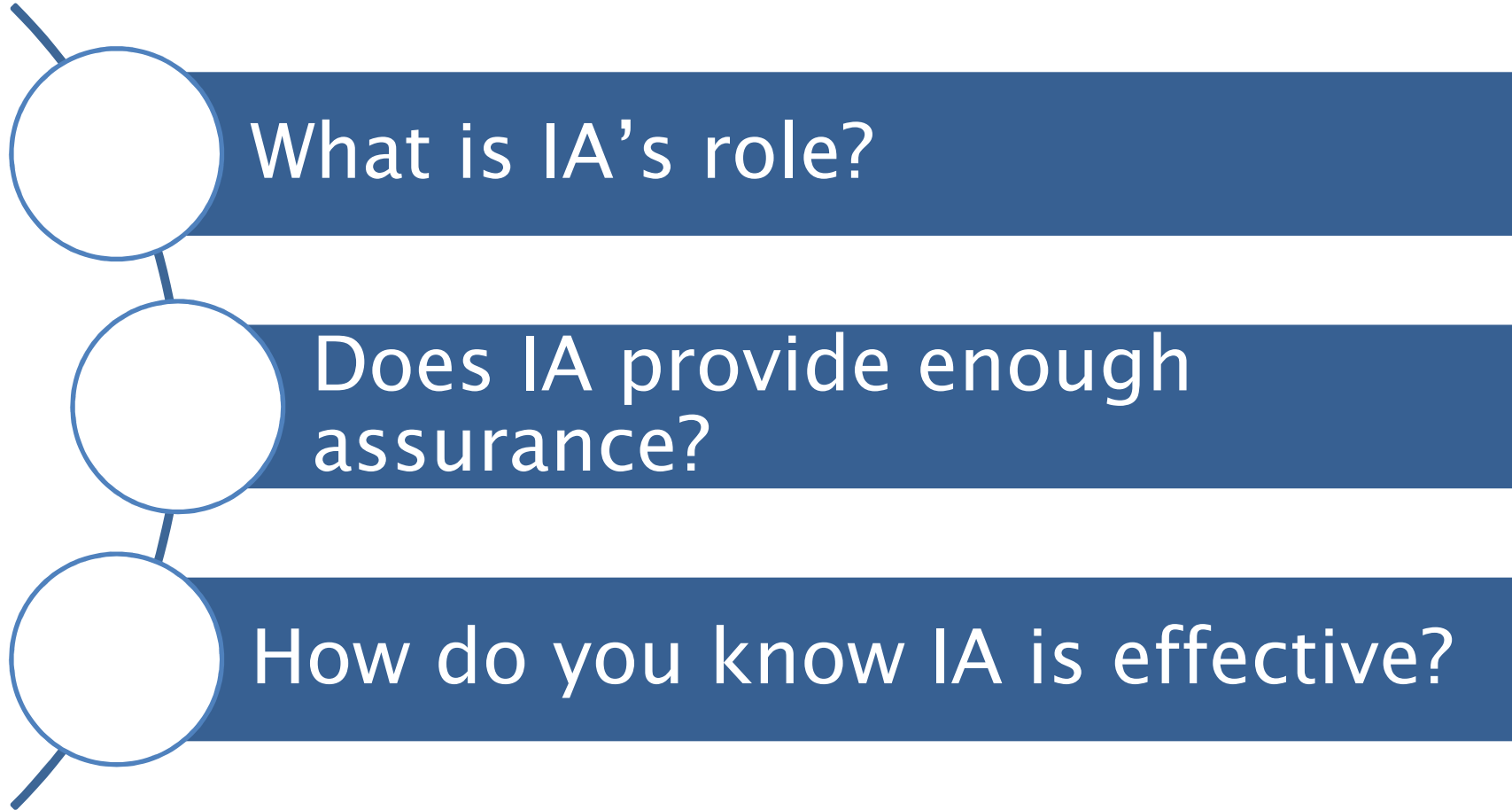
Assurance



Governance Framework

- What is the governance framework?
- Are you involved enough in its development?
- Can you confidently challenge the content of the Annual Governance Statement?

Internal Audit



Internal Audit

- Does IA provide you with enough information in the right format?
- Do you need more from IA?
- Should you meet with the HIAS at least once a year in private?

Challenge

**How well do you
robustly
challenge senior
management
when needed?**

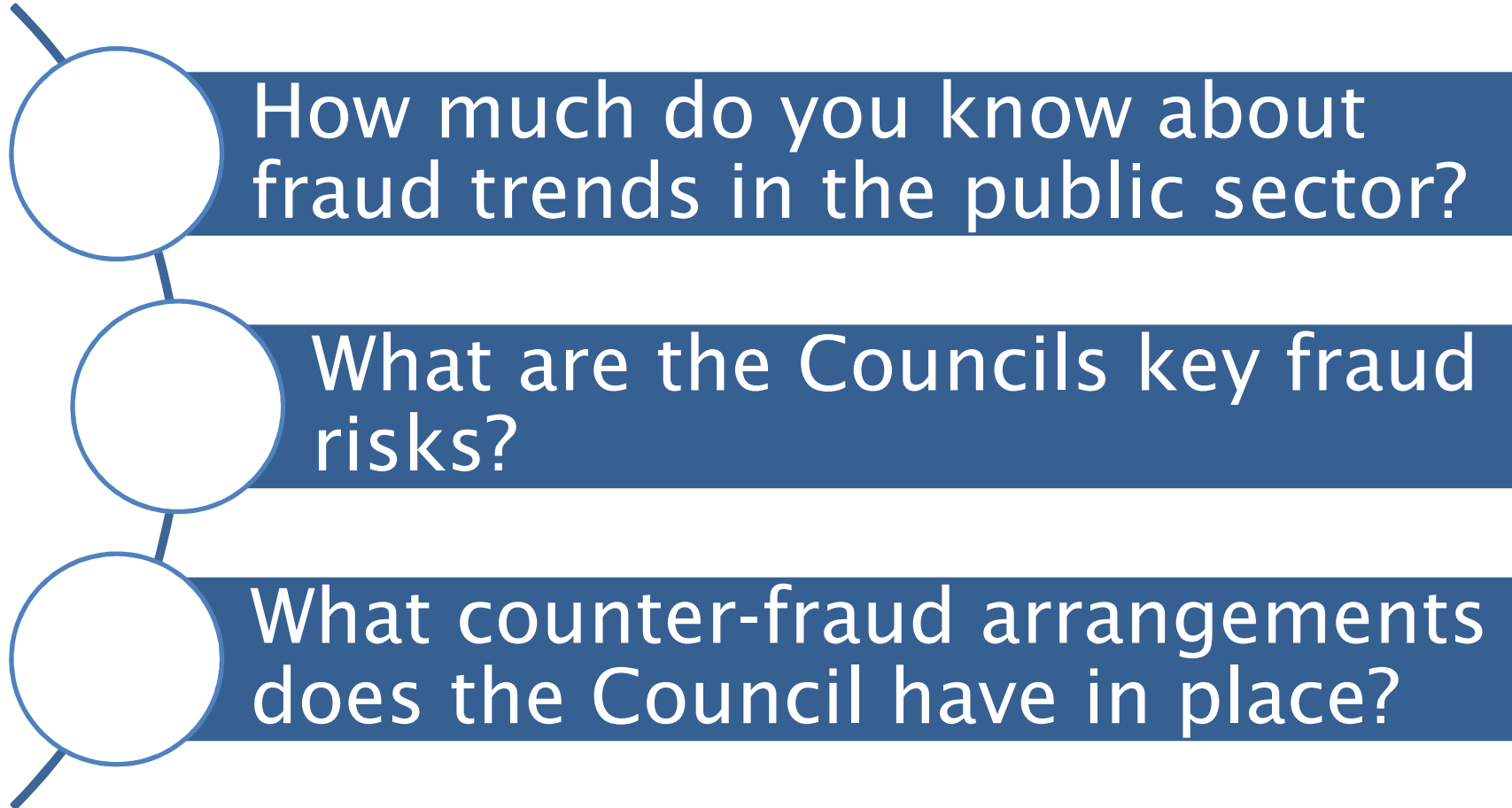
Risk Management

- How well do you understand the risk management framework?
- Do you know what the Council's corporate risks are?
- How confident are you that the Council is managing its corporate risks?

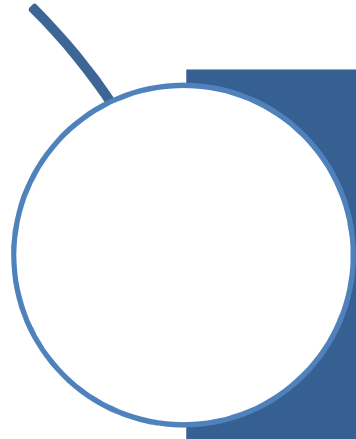
Risk Management

**What are this
Committee's/Perfor
mance Scrutiny's
roles relating to risk
management?**


Fraud

- 
- How much do you know about fraud trends in the public sector?
 - What are the Councils key fraud risks?
 - What counter-fraud arrangements does the Council have in place?

Ethics



What arrangements are in place to ensure good ethical behaviour by officers and members?

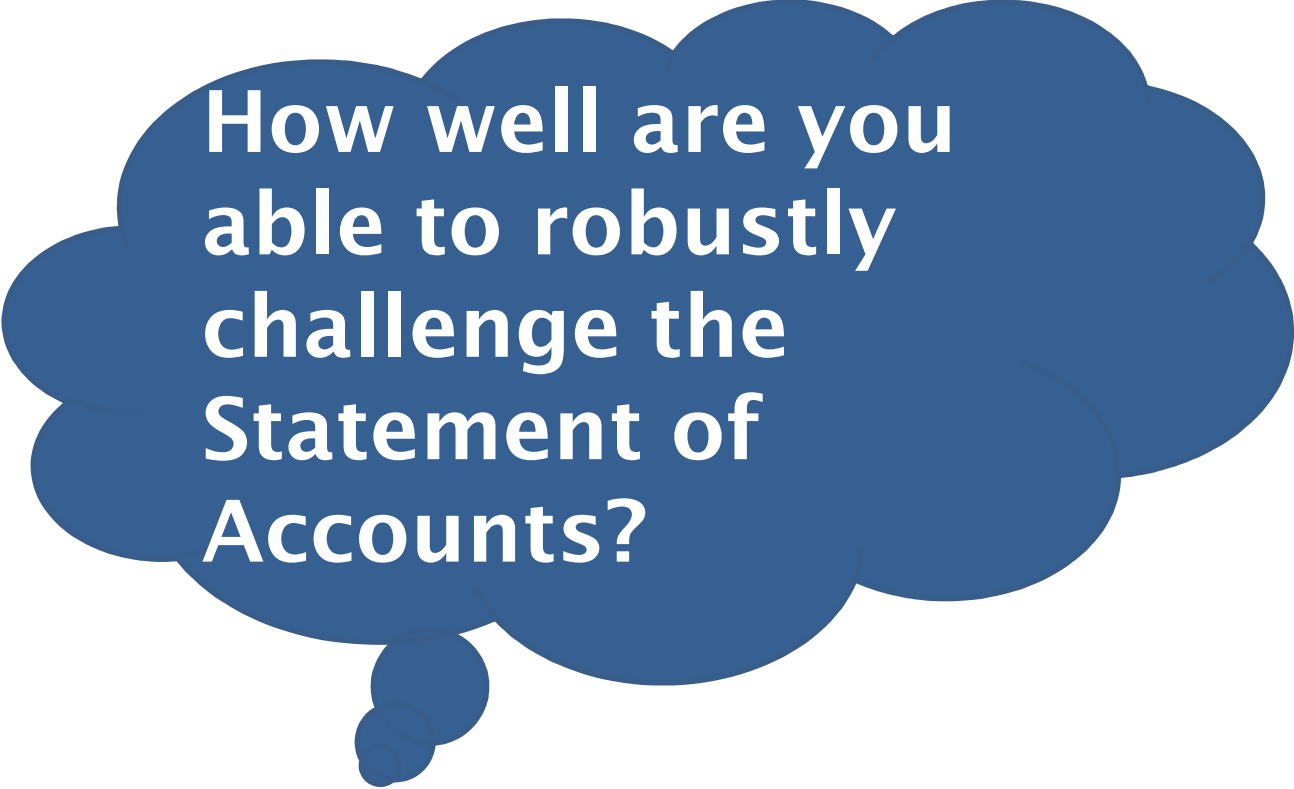


How confident are you that these arrangements work in practice?

Financial Management

- What financial risks does the Council face?
- What are the specific risks relating to Treasury Management?
- How well do you understand the Statement of Accounts?

Financial Management

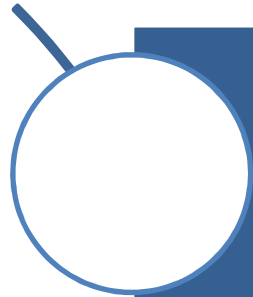


**How well are you
able to robustly
challenge the
Statement of
Accounts?**

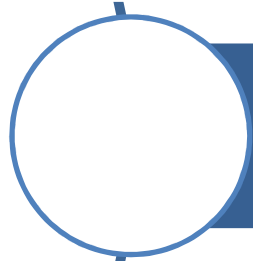
External Audit

- What is external audit's role?
- How does this differ from internal audit?
- How do you know external audit is effective?

External Audit



Does external audit provide you with enough information in the right format?

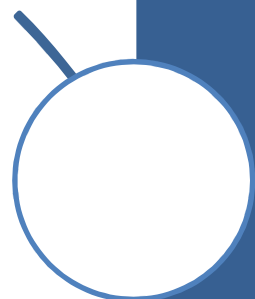


Do you need more from external audit?

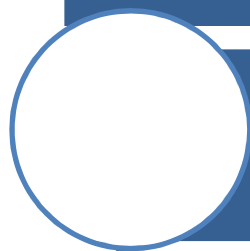


Should you meet with the external auditor at least once a year in private?

Committee Knowledge



Is the Chair confident in his knowledge of finance, risk management, audit and the Council's regulatory regime?

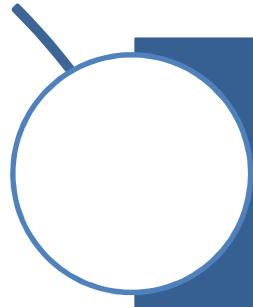


How well are you trained for your role?



Should new committee members have induction training in their new role?

Committee Support



How well do officers support you in meetings and provide advice and guidance?



Are you adequately prepared for the Committee meetings?



Can written/verbal reports to the committee be improved?

CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 27 January 2016 at 9.30 am.

PRESENT

Councillors Stuart Davies, Peter Duffy and Jason McLellan (Chair)

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

ALSO PRESENT

Head of Legal, HR and Democratic Services (GW), Head of Internal Audit (IB), Chief Accountant (SG), Project Manager - NE Hub (JE) and Committee Administrator (CIW).

Also in attendance - Chair of Governors of Ysgol Mair, Rhyl (Gill Greenland).

The Chair informed Members that Councillor B. Mellor had terminated his membership of the Committee, and thanked him for his contribution and work undertaken for the Committee.

1 APOLOGIES

Apologies for absence were received from Councillors Ann Davies and Alice Jones.

2 DECLARATION OF INTERESTS

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

3 URGENT MATTERS

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

4 MINUTES

The Minutes of a meeting of the Corporate Governance Committee held on the 18th November, 2015.

Matters arising:-

5. Ysgol Mair, Rhyl – Internal Audit Report:- In response to issues raised by Councillor P.C. Duffy and the Chair that the minutes had not reflected the discussion at the meeting, the HLHRDS provided details of the protocol in respect of the provision of minutes which was not to provide a verbatim record of the

discussion. He explained that the purpose of the minutes was to reflect the sense of the meeting and confirmed that Members concerns would be noted.

(GW to Action)

8. Corporate Risk Register: - Mr P. Whitham questioned at what point the Corporate Governance Committee would be afforded the opportunity to influence the impact of the Well-being of Future Generations Act in respect of the management of risk. The Chair confirmed that this matter had been discussed by the Scrutiny Chairs and Vice Chairs Group in December. The HLHRDS confirmed that the Communities Scrutiny Committee would, on the 4th February, be holding a workshop to consider this matter and an invitation to attend had been extended to all Members. With regard to the issue of risk management there was an Implementation Board for the Act from which various work streams would be identified and these would be considered by officers in February. These issues would include how Scrutiny would examine the implementation and monitoring of the Act and consideration of possible changes to reporting templates to encompass the requirements of the Act.

The HLHRDS explained that he anticipated that a report would be compiled in respect of the risk element. In response to a request from Mr Whitham, it was agreed that the Head of Business Planning and Performance provide an update report to the March meeting of the Committee in respect of the management of risk, and incorporating the wider interests of the Committee in respect of the Act.

(GW, AS to Action)

RESOLVED – that, subject to the above, the minutes be received and approved as a correct record.

PART II

EXCLUSION OF PRESS AND PUBLIC

RESOLVED – that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 14 and 18 of Part 4 of Schedule 12A of the Local Government Act 1972.

5 YSGOL MAIR RHYL- FINANCIAL RECOVERY PLAN

A confidential report by the Head of Internal Audit (HIA), which provided details of Ysgol Mair's Financial Recovery Plan (FRP), had been circulated previously.

Members were informed that due to a pending Estyn Inspection at Ysgol Mair the Head Teacher was unable to attend the meeting. The school was represented by Ms Gill Greenland, Chair of the Governing Body, and the Chair of the Committee thanked Ms Greenland for attending the meeting.

The HIA introduced the report and explained that the Internal Audit report in August had highlighted a financial deficit at Ysgol Mair, and that the School needed to

develop a robust FRP. The HIA confirmed that subject to the implementation of the FRP, Appendix A, the Action Plan within the Audit Report had been progressed. It was explained that as the proposed FRP involved a significant level of change and meetings had been held with Strategic HR to discuss processes and with Education inform them of proposed actions.

Ms G. Greenland provided background details pertaining to the school which included:-

- At no point had the school previously been in deficit.
- In 2015 the school had been £11k in credit.
- Surprisingly a £42k deficit had been identified.
- Problems had emanated following the resignation of the Financial Advisor.
- The Deputy Head had been assigned to assist a school in Flintshire.
- The Diocese had agreed to advertise the post of Head teacher.
- There would be no Deputy Head teacher.
- The school was located in a deprived area, with some pupils having challenging behaviour.
- There had been Union involvement and help provided by HR.
- An invitation had been received to visit a school in Mochdre which operated without a Deputy Head teacher.
- Assistance and advice had been received from the School Funding Manager.

The Chair congratulated the school on having addressed other issues of concern identified but stressed the need to address the implementation of the FRP.

Councillor P.C. Duffy questioned why the financial problems now being experienced had not been identified at an earlier stage, particularly by the School's Governing Body. Councillor Duffy explained that he understood that the appropriate policies and procedures had already been implemented previously to prevent such anomalies. Ms Greenland felt that the main problems had emanated from the School's Financial Advisor having vacated the post. The Chair expressed concern that another school which had experienced similar difficulties had not had a Financial Advisor. He felt this was an issue which should be examined County wide and highlighted need for the provision of robust financial advice and guidance. The HIA outlined the changes which had now been implemented to the process and emphasised the importance of the role of Finance Managers.

Councillor S.A. Davies explained that the nursery provision at the school was not a statutory requirement, and suggested that a substantial saving could be achieved by not providing this facility. He felt that enhanced advice and information on the financial management of the school was required and would be beneficial.

Mr P. Whitham made reference to previous problems which had emanated from the absence of appropriate financial management arrangements, and highlighted the need to examine possible recurring themes and trends. He stressed the need for assurances that financial arrangements and appropriate mechanisms were in place to avoid any future reoccurrences. Councillor J. Thompson-Hill outlined the role of Finance Cluster Managers whose remit included flagging up potential problems to

the respective Governing Bodies. Ms Greenland explained that Ysgol Mair was not part of the Rhyl Finance Cluster and it was suggested that this may have contributed to the anomalies experienced.

The Chair emphasised the need to address the issue of Monitoring Ysgol Mair which would involve discussions with HR, in respect of staffing matters with regard to the FRP, and the setting of timescales with a view to reporting back at the commencement of the academic year. The HIA reminded Members that the FRP was a two year Plan. Details for monitoring the FRP by the 151 Officer and the Education Planning and Resources Manager were outlined by the officers. The HLHRDS outlined the remit and monitoring roles undertaken by the School Standards Monitoring Group and the School Budget Forum.

The Committee considered the monitoring process and agreed that the School Funding Manager, Education Planning and Resources Manager and Head teacher be requested to attend the September, 2016 meeting of the Committee to provide a progress report in respect of the implementation of the FRP.

With regard to the monitoring mechanisms it was agreed that the Internal Audit process for school finances be re-examined, and the HIA circulate copies to Members of the Committee. It was agreed that Members views could be presented to the March, 2016 meeting of the Committee and the matter referred to the Scrutiny Chairs and Vice Chairs Group for deliberation.

In response to concerns expressed by the Committee regarding the perceived lack involvement and support from the Diocese, it was agreed that the HLHRDS write to the Diocese highlighting the following issues and concerns raised by Members of the Committee:-

- The Committee having received a report about a FRP in respect of one of their schools.
- To question the extent as to which the Diocese provides support and advice to schools and assists with financial issues.
- Request for an update in respect of the advertisement for a post within the school.
- The provision of details of any other issues of concerns which they might be aware of, in respect of Ysgol Mair or any other Diocese schools in the County.

Following further discussion, it was:-

RESOLVED – that:-

- (a) *the Corporate Governance Committee receive and note the contents of the report.*
- (b) *the School Funding Manager, Education Planning and Resources Manager and Head teacher be requested to attend the September, 2016 meeting of the Committee to provide a progress report on the implementation of the FRP*
- (c) *the Internal Audit process for school finances be re-examined, and the HIA circulate copies to Members of the Committee.*

(d) *Members views be presented to the March, 2016 meeting of the Committee and the matter referred to the Scrutiny Chairs and Vice Chairs Group for deliberation.*

(e) *the HLHRDS write to the Diocese highlighting the issues and concerns raised by Members of the Committee.*

(GW, IB, RW to Action)

At this point the meeting resumed to PART I

6 BUDGET PROCESS 2015/16

A report by the Chief Finance Officer (CFO), which provided an update on the process to deliver the revenue budget for 2016/17, had been circulated previously.

Councillor J. Thompson-Hill, assisted by the Chief Accountant (CA), provided a detailed summary of the report which included the following information:-

- The latest progress with the budget setting process had been presented to a Member Budget Workshop on the 14th December, 2015. An outline of the range of savings proposals considered had been outlined.
- The draft Welsh Government budget and the Provisional Settlement to local government had been announced later than usual this year as a consequence of the timing of the UK Government's Autumn Spending Review. This had been factored into the budget planning process and resulted in the package of proposals being taken for approval in December. The package totalling £1.2m contained efficiency savings and technical adjustments, but did not include any proposals to cut services or increase charges.
- The implications of the Local Government Settlement for 2015/16 had been summarised in the report, with the Settlement being much better than expected.
- A report to Council in December had detailed the latest budget position and assumptions indicated a remaining budget gap of £2m. Details had been provided at the budget workshop with a summary included in the report.
- Details of the changes to the Settlement value, which allowed for a proposal to lower the level of proposed Council Tax rise from 2.75% to an average of 1.5%, had been included in the report.
- The assumptions applied had resulted in a positive funding position of £480k, with the Settlement for 2016/17 having been better than expected for one-year. A table summarising the budget planning position for future years had been provided. Details of risks had been outlined, together with, the actions implemented to mitigate them.
- The Final Local Government Settlement would not be published until March. However, assurances had been provided that there should be no negative movement between the Provisional Draft and Final Settlement values. The final Welsh Government budget would be put before the Senedd on the 8th March.
- The Freedoms & Flexibilities process had ended with the setting of the 2016/17. Monitoring of budget performance would continue to be reported to cabinet, with the Cutting Our Cloth Task & Finish Group monitoring the impact of budget decisions.
- It was confirmed that a new budget process would be developed for 2017/18.

- The final phase of the two-year Freedoms & Flexibilities budget process had been presented. The vast majority of savings, over 80%, had been efficiency or modernisation savings resulting in a less significant impact on services to the public.
- It was explained that the aim of the budget process had been to ensure that the Council delivered a balanced budget. It was likely that funding reductions to LA's in Wales would continue in the medium term, with budget decisions becoming more difficult and requiring a longer lead-in time to deliver.

Councillor Thompson-Hill outlined the timescales pertaining to the budget reporting process and sought guidance regarding the timing of the submission of future reports. The Chair felt that it would be beneficial if the current process of the inclusion of a standard budget process business item on each agenda of the Committee be continued, along with the provision of Member Budget Workshops. He also felt there was a need to increase consultation with the public and acknowledged that there were differing views regarding the adoption of a new consultation process. It was suggested and agreed that the respective Political Groups be contacted with a view to encouraging Members to put forward their views and suggestions in respect of the budget process. Councillor S.A. Davies expressed his support for the continuation of the current process, and highlighted the need and importance of scrutinising the adopted mechanisms. Mr P. Whitham supported the view expressed and suggested that failure to continue to progress could present a corporate risk to the Authority.

The HLHRDS outlined the possible technical issues and constraints which could arise around finance with regard to the progress of the Local Government (Wales) Bill, and the subsequent merging of Local Authorities.

Mr P. Whitham suggested that as the report presented the final phase of the two-year Freedoms & Flexibilities budget process a post completion review should be undertaken to ascertain the aims, achievements, successes and lessons learned with regard to assisting with future progress. The Chair made reference to the Cutting Our Cloth Task and Finish Group which monitored the impact of the budget decisions taken as part of the process, this being achieved through evidence gathering and examining the mechanisms utilised and adopted.

RESOLVED – *that the Corporate Governance Committee:-*

- (a) receives and notes the contents of the report on the latest update.*
- (b) request that the Political Groups encourage Members to put forward their views, and*
- (c) agrees that a further update report be presented to the March, 2016 meeting of the Committee.*

(RW, SG, GW to Action)

7 TREASURY MANAGEMENT REPORT

A report by the Chief Finance Officer (CFO) had been circulated previously.

The Chief Accountant (CA) explained that the Treasury Management Strategy Statement (TMSS), Appendix 1, indicated how the Council would manage its investments and its borrowing for the coming year, and set the policies within which the Treasury Management (TM) function operated. The report also outlined the likely impact of the Corporate Plan on this strategy and on the Prudential Indicators. The TM Update Report, Appendix 2, provided details of the Council's TM activities during 2015/16.

It was explained that the figures contained in the TMSS were draft and would be updated prior to approval by Council, based on the latest Capital Plan and Housing Stock Business Plan in February, 2016.

The Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management, the "CIPFA TM Code", required the Council to approve the TMSS and Prudential Indicators annually. The Corporate Governance Committee was required to review the report before its approval by Council on the 23rd February, 2016.

The Committee would receive an update on the TM activities twice annually and TM involved looking after the Council's cash, which was a vital part of the Council's work, as approximately £0.5bn passed through the Council's bank account annually. At any one time the Council had at least £10m in cash so an assurance was required that the best rate of return possible was achieved without putting the cash at risk, which was why money was invested with a number of financial institutions.

When investing, the Council's priorities were to:-

- keep money safe (security);
- make sure that they get the money back when we need it (liquidity);
- make sure they get a decent rate of return (yield).

The TMSS for 2016/17 had been set out in Appendix 1. The report included Prudential Indicators which set limits on the Council's TM activity and demonstrated that the Council's borrowing was affordable.

With regard to Prudential Indicators, the Council Fund indicators were based on the latest proposed capital bids and block allocations, and these would be updated prior to the report being submitted to Council for approval on the 23rd February, 2016.

The Housing Revenue Account indicators had been calculated based on the latest estimates from the Housing Stock Business Plan, but would be revised prior to submission to Council once the final Housing Stock Business Plan had been agreed. The individual Prudential Indicators recommended for approval had been set out in Appendix 1 Annex A.

The CA invited Members attention to the following areas incorporated in Appendix 1 to the report:-

- Minimum Revenue Provision Statement
- Council Fund Ratio
- Capital Financing Requirement and total debt
- The implications of the PFI element and reduction of cash held
- Approved Investment Counterparties and Limits
- Training Requirements

In reply to a question from Councillor S.A. Davies, Councillor Thompson-Hill and the CA provided details of the Council's current and historic borrowing arrangements, rates and costs.

Mr P. Whitham highlighted the issue of the provision of Member Training as referred to on Page 38, 8.1.1 of Appendix 1. The HLHRDS made reference to the various methods adopted for the provision of training, and explained the importance of making sure that adequate information was provided to the respective Members to ensure an understanding of the relevant processes. Members agreed that a training session on Treasury Management be delivered 30 minutes prior to the next meeting of the Committee, which had a business item pertaining to Treasury Management, and that the invitation to attend be extended to all Members.

The following responses were provided to questions presented by Mr P. Whitham:-

- It was agreed that further details pertaining to the abolition of the PWLB could be provided when available.
- Confirmation was provided that the Council's banking arrangements were subject to the Procurement Strategy.
- The Capital Monitoring report was presented to Cabinet.
- Details of the implementation of REPOs could be included in the Members Training session in September, 2016, following the receipt and clarification of details.
- The Audit Review to be undertaken in February, 2016 to be presented to Committee in April, 2016.

Following further discussion, it was:-

RESOLVED – *that the Corporate Governance Committee:-*

- (a) *receives and notes the TMSS for 2016/17 and the Prudential Indicators for 2016/17, 2017/18 and 2018/19 (Appendix 1).*
- (b) *notes the TM update report (Appendix 2).*
- (c) *agrees a training session on Treasury Management be delivered and that the invitation to attend be extended to all Members.*
- (d) *requests that further details pertaining to the abolition of the PWLB be provided when available.*
- (e) *agrees that the Audit Review to be undertaken in February, 2016 be presented to Committee in April, 2016, and*
- (f) *requests that details of the implementation of REPOs be included in the Members Training session in September, 2016.*

(RW, SG, IB to Action)

8 CORPORATE GOVERNANCE COMMITTEE SELF EVALUATION REPORT

Members agreed that in view of the absence of some Members of the Committee, and pending the appointment of a Member to the vacancy on the Committee, this item be deferred to the March, 2016 meeting of the Committee.

The Head of Internal Audit agreed to send an e-mail to Members of the Committee highlighting the significance and interest of this item to new Members of the Committee.

Members agreed that the Corporate Governance Committee meeting scheduled for the 16th March, 2016 convene 30 minutes earlier than scheduled, at 9.00 a.m. to accommodate consideration of this business item.

RESOLVED – that:-

- (a) *the item be deferred and considered prior to the scheduled meeting of the Committee on the 16th March, 2016.*
- (b) *the meeting scheduled for the 16th March, 2016 convene 30 minutes earlier than scheduled, at 9.00 a.m. to accommodate consideration of this business item, and*
- (c) *the Head of Internal Audit send an e-mail to Members of the Committee highlighting the significance and interest of this item to new Members of the Committee.*

(IB and GW to Action)

9 CORPORATE FLEET MANAGEMENT - INTERNAL AUDIT REPORT

A report by the Head of Internal Audit (HIA), on a recent Internal Audit report on Corporate Fleet Management that received a 'Low' assurance rating, had been circulated previously.

The HIA introduced the report which sought the Committee's views on the Internal Audit report, and agreement of the assurance that the Action Plan within the report was being implemented effectively within the agreed timescales. He confirmed that most of the work identified had been completed and provided a brief outline of the full Internal Audit report which had been included as Appendix 1. The key issues arising had been summarised in the report.

It was confirmed by the HIA that prior to the issue of the final audit report an 'escalation meeting' had been held with the Head of Highways and Environmental Services, Corporate Director: Economic and Community Ambition, Lead Cabinet Member and senior managers to discuss the audit report and agree an Action Plan.

In response to concerns raised by Councillor P.C. Duffy regarding the importance of the Committee being presented with a written report, the HIA confirmed that he had explained at the previous meeting that due to timescales it would not be possible to submit a written report to this meeting, and it had been agreed that a verbal update be provided.

The Project Manager (NE Hub) (PMNEH) confirmed that progress had been mixed with some issues still needing to be addressed whilst not being a significant risk to the Authority, particular reference being made to the level of work relating to the waste service targets.

The HIA explained that the first follow-up report had only recently been completed and a response was awaited. The officers confirmed that a further report would be presented to the Committee following completion of the work. The HIA confirmed that the Transport Policy was being reviewed and would be presented to SLT. At the request of Members it was agreed that a copy of the Transport Policy be circulated with the report to be presented to the March, 2016 meeting of the Committee.

Following further debate, it was:-

RESOLVED – that:-

- (a) *the Corporate Governance Committee receives and notes the latest update.*
 - (b) *an update report be presented to the March, 2016 meeting of the Committee,*
and
 - (c) *a copy of the Transport Policy be circulated to the March, 2016 meeting.*
- (IB, JE to Action)**

10 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

The Corporate Governance Committee's Forward Work Programme (FWP) (previously circulated) was presented for consideration.

The Committee confirmed the Corporate Governance Committee Forward Work Programme subject to the inclusion of the following reports:-

23rd March, 2016:-

- The March meeting of the Committee be convened 30 minutes earlier than scheduled, at 9.00 a.m., to accommodate consideration of the Corporate Governance Committee Self Evaluation Report.
- A report by the Head of Business Planning and Performance be included in the forward work programme for March, to provide an update on the management of risk and the wider interests of the Committee in respect of the implementation of the Well-being of Future Generations Act.

27th April, 2016:-.

- The HLHRDS explained that the workshop arranged to consider the Constitution would now be rescheduled. Members agreed that the business item with regard to the Constitution be included in the forward work programme for the April, 2016 meeting.

Members agreed that the Head of Internal Audit circulate an information report to Members of the Committee in respect of the financial management of Ysgol Mair,

Rhyl. It was agreed that any concerns expressed by Members of the Committee be forwarded to the Chair or HLHRDS. The Head of Internal Audit confirmed that a further report in respect of Ysgol Mair, Rhyl would be presented to the Committee in September, 2016.

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

(GW, AS, IB, CW to Action)

Meeting ended at 11.55 a.m.

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Report To: Corporate Governance Committee

Date of Meeting: 23rd March 2016

Lead Member / Officer: Councillor Julian Thompson-Hill/Richard Weigh

Report Author: Steve Gadd, Chief Accountant

Title: Budget Process 2017/18

1. What is the report about?

The report gives an update on the process to deliver the revenue budget for 2017/18.

2. What is the reason for making this report?

To provide an update of the latest position.

3. What are the Recommendations?

To consider the latest update and comment as appropriate.

4. Report details

The previous report in January summarised the Freedoms and Flexibilities process that successfully delivered balanced budgets for 2015/16 and 2016/17. Monitoring of budget performance will continue to be reported monthly to cabinet as usual and the Cutting Our Cloth Task & Finish Group is in place to monitor the impact of budget decisions taken as part of the process.

Following receipt of the Final Settlement in early March work has begun on defining a new budget process to deliver the 2017/18 budget. Although the assumptions that will inform the detail of the Medium Term Financial Plan (MTFP) and the process itself are still under development the following broad assumptions and principles can be outlined.

Key Assumptions Informing Development of MTFP

- **Government Funding** – the assumption is that RSG will continue to reduce as WG continue to protect NHS and other areas at the expense of local government. The current estimate is for a 1.5% reduction in funding (reduction of 1.2% in 16/17) based on the Autumn Statement and work carried out by the WLGA.
- **Local Funding** – As in the previously published MTFP the assumed Council tax rise is 2.75%. Harmonisation with other councils is likely to be a more prevalent issue in future.

- **Schools Protection** - If the ministerial pledge continues in its current form beyond the election and the council complies, the level of increase to schools budgets will be +1.93% in 17/18 which is more than double the original planning assumption for 16/17 (which was based on +0.9%). In addition, pupil demography goes up in 17/18 (after three years of reduction) with a potential cost of £656k. Since the introduction of school protection, schools have funded all pay and related cost increases.
- **Pay and Pensions** - Pay award assumptions are an average of +1%. Costs for pension increases are built in but negotiations with actuaries are ongoing to test the possibility of freezing levels for the next three years.
- **Other Corporate Pressures** - Includes Fire Levy, members' costs, insurance premiums, CTRS, energy costs, etc. .
- **Specific Pressure within Social Care** – It is likely some recognition of growing pressures in this area will need to be included though it is assumed the service will fund some of this through reinvesting efficiency savings.
- **Use of Balances** - As balances have not been required to the extent allowed for in the 15/16 budget, additional funding could be provided in 17/18 without reducing balances beyond the levels anticipated when the 15/16 budget was set.

Principles of the 2017/18 Budget Process

- **2017/18 Budget** – The process will concentrate on delivering a balanced budget for 2017/18 and Members will not be asked to approve savings for future years, although some savings will have an ongoing impact.
- **Collation of data** – Finance have developed a suit of forms that services will be expected to complete to inform the budget process and facilitate decision-making. In particular the forms will allow for the identification of efficiency savings, options to reduce service levels and budgets, specific service pressures, use of service reserves and the fees and charges policies within the service.
- **Efficiency Target** – It is likely that services will be given a modest efficiency saving target (e.g. 1%) which all services will be expected to deliver through genuine efficiency savings (i.e. not relating to a reduction in service level or increase in charges).
- **Saving Target** – The efficiency target is unlikely to be sufficient to balance the budget so an additional savings target for the Council will also be calculated and budget proposals will be developed to meet the target. The target is likely to exceed the projected budget gap to allow Member choices to be made in balancing the budget. It is recognised that a number of these suggestions may involve transformational projects which may well involve reduction in service levels or changes in service delivery methods. Some of the proposals will be those that were brought forward under Freedoms & Flexibilities but were not required to balance the 2016/17 budget.

- **Budget Proposals** - For each proposal made there will be a sheet that will capture more detail about the proposal, the possible impact (equalities, jobs, service quality, locality, language etc.), risks and project management requirements (i.e. whether the proposal is likely to become a project and how it would be managed). There will also need to be some assessment of impact in respect of the Wellbeing of Future Generations Act though the exact requirements around this need to be developed further.
- **Budget Timetable** – A draft timetable has been developed, although it is obviously subject to further change (see Appendix 1). The timetable expands on the following four stages of the budget process:

- 1) Define and develop the process
- 2) Identify initial proposals
- 3) Consult on and finalise proposals
- 4) Final approval stages

All stages allow for consultation and engagement with the relevant stakeholders.

A further update will be given at the next meeting by which time both the MTFP and the budget process will have been consulted on and approved.

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

Effective management of the council's budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities.

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

Based on current assumptions around funding and cost pressures there is a forecast budget gap for 2017/18 of £4.4m.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?

An EqIA has been or will be completed for all relevant proposals.

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

Previous reports have highlighted in detail the significant consultation process undertaken to deliver the 2015/16 and 2016/17 budgets.

Appendix 1 summarises the proposed budget process for 2017/18 and highlights key consultation periods during the four stages of the process from defining the process, identifying and finalising proposal through to the final approval stages. Consultation will take place with the Corporate Governance Committee, CET, SLT, Cabinet Briefing, Council Briefing and Trade Unions.

Specific proposals will require further consultations with specific stakeholders which will be identified by services in the proposal templates.

9. Chief Finance Officer Statement

The aim of the budget process is to ensure that the council delivers a balanced budget. The uncertainty over the level of financial settlements in recent years has made financial planning in already difficult circumstances even more challenging. Whilst the revenue settlement for 2016/17 was better than the council had been led to believe and this is clearly welcomed, there is still a lack of any meaningful financial planning indications for the future. It is hoped that this will be addressed following the elections in May 2016 as the uncertainty and variations from year to year that have been the norm since 2013 pose a significant risk to the delivery of future budgets.

Although the precise levels are not known it is likely that funding reductions to local authorities in Wales will continue in the medium term and while the council will always endeavour to be more efficient to save money, this in itself may not be sufficient in future years. Budget decisions will get harder and will probably require a longer lead-in time to deliver.

The proposed budget process for 2017/18 will help deliver a balanced budget and will enable the council to take account of key funding assumptions, service pressures, levels of cash reserves and the levels of fees and charges within the Council.

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

The budget process itself is a risk management measure with the aim of identifying, assessing and agreeing budget proposals in a planned and timely way.

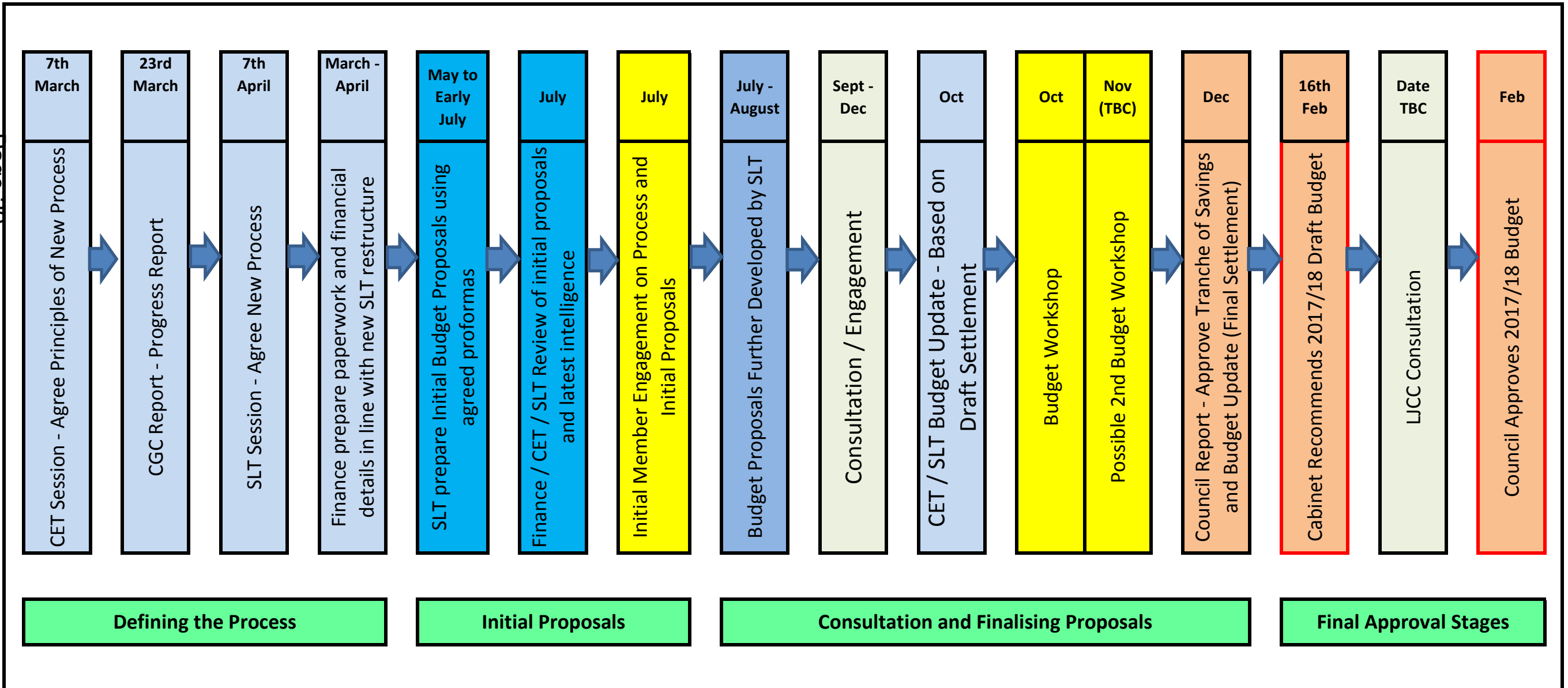
11. Power to make the Decision

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs.

PROPOSED BUDGET PROCESS 2017/18

BUDGET OVERSIGHT - Monthly Updates to CET, Corporate Governance Committee & Cabinet Briefing

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Report To: Corporate Governance Committee
Date of Meeting: 23 March 2016
Lead Member / Officer: Ivan Butler – Head of Internal Audit
Report Author: Ivan Butler – Head of Internal Audit
Title: **Corporate Safeguarding Update**

1. What is the report about?

This report provides an update on progress in implementing the action plan that accompanied the Internal Audit report on Corporate Safeguarding in August 2015.

2. What is the reason for making this report?

This report is to provide information on how the Council is implementing improvements in corporate safeguarding since the issue of the Internal Audit report in 2015. The audit report gave 'Low Assurance', so the Corporate Governance Committee requested a progress report to ensure that the issues are being addressed.

3. What are the Recommendations?

The Committee to review progress and decide whether it requires a further progress report.

4. Report details

Appendix 1 is the Internal Audit follow up report, which shows that good progress is being made with implementing the action plan. In particular, governance has been improved and the Safeguarding Panel has a more focused work programme so it can prioritise its work and monitor performance. There is now more dedicated resource being applied to corporate safeguarding through the Chair of the Panel increasing his involvement, including meetings with service Panel representatives.

There is still some work to do to ensure that members of staff and elected members are aware of their responsibilities for corporate safeguarding, including a promotion campaign to launch the new Corporate Safeguarding Policy. In addition, the planned corporate training module needs to be developed and implemented and all elected members need to attend the mandatory corporate safeguarding training sessions.

Given the progress made with the action plan, we have improved our assurance rating to 'Medium'.

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

Not applicable - there is no decision required with this report.

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

Not applicable - there is no decision required with this report.

- 7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report**
Not applicable - there is no decision required with this report.
- 8. What consultations have been carried out with Scrutiny and others?**
Not applicable - there is no decision required with this report.
- 9. Chief Finance Officer Statement**
Not applicable - there is no decision required with this report.
- 10. What risks are there and is there anything we can do to reduce them?**
Not applicable - there is no decision required with this report.
- 11. Power to make the Decision**
Not applicable - there is no decision required with this report.



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

Internal Audit Follow Up – Corporate Safeguarding Review

March 2016



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Ivan Butler CMIIA, MBA, Head of Internal Audit Services

Purpose & Scope of Review

We originally carried out a review of corporate safeguarding, as requested by the Chief Executive, to ensure that there are robust arrangements in place to safeguard children and vulnerable adults across the Council and in organisations providing services on its behalf. We gave a low assurance rating due to the number of risks/issues that we raised.

We have now carried out our first follow up of corporate safeguarding to ascertain progress with addressing these risks/issues.

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, good progress has been made to address the risks/issues we identified as part of our original review. The governance arrangements have improved in terms of ensuring that there is adequate representation across all services on the Corporate Safeguarding Panel and through reviewing its terms of reference. The introduction of the work streams for communication, performance, and training and awareness has provided a dedicated work programme for the Panel so it can prioritise its work and monitor performance. More dedicated resources have been allocated to corporate safeguarding since our original review through the Chair of the Corporate Safeguarding Panel increasing his involvement, thus ensuring that there is sufficient capacity for continuous improvement.

Additionally, work has been undertaken to strengthen existing arrangements with Disclosure Barring Service (DBS) checks through the review of the policy and the monitoring and reporting to heads of service. This has resulted in an improvement in complying with the DBS policy.

The key area to address is to ensure that members of staff and elected members are aware of their responsibilities for corporate safeguarding. While the original agreed action is not yet due, the Corporate Safeguarding Policy has recently been reviewed and a promotion campaign developed to ensure that it is shared and to raise awareness of its existence. Similarly, while safeguarding training has continued in some services, the planned corporate training module is still being developed. In addition, not all elected members have attended the mandatory corporate safeguarding training sessions or the Council briefing session in November 2015.

Despite the fact that there is still a lack of corporate awareness of corporate safeguarding, which has not yet been embedded across all Council functions, good progress in addressing several risks/issues means that we are able to improve our assurance rating to 'Medium'. Once the training and guidance is available, this should help to address the outstanding risks/issues and the misconception that safeguarding is the role of Social Services and not a corporate responsibility.

Action Plan Progress

Audit Review of: Corporate Safeguarding Review – First Follow Up
Date: March 2016
Action Plan Owner: Corporate Director: Communities

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

Risk/Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
1.	The Corporate Safeguarding Panel is not fulfilling its roles and responsibilities as detailed in its Terms of Reference. Once the membership of the Panel is reviewed, there needs to be better marketing of the Panel, as currently there is a lack of awareness and scrutiny of its work.	The Panel’s terms of reference will be circulated and reviewed to confirm that the roles and responsibilities detailed are still relevant. Corporate Safeguarding Panel – November 2015	Complete The Corporate Director: Communities confirmed that the terms of reference have been reviewed. Panel minutes for 20 January 2016 confirm that they have been agreed by Panel members. The terms of reference will formally be reviewed annually or more often if there are any significant changes.	
		Where services are not represented currently on the Panel, Heads of Service have been contacted to identify officers who can attend. We will also establish whether services can provide a deputy if the service representative is unable to attend. Corporate Director: Communities – September 2015	Complete The Corporate Director: Communities explained that heads of service have been contacted to confirm their Designated Lead Manager (DLM) and also to nominate a deputy. The Corporate Safeguarding Policy has been updated to show current Panel membership, including where deputies have been nominated.	

		<p>Service representatives will ensure that their service is aware of the existence of the Panel and that they are aware to use them as a point of contact.</p> <p>Corporate Safeguarding Panel – September 2015</p>	<p>Complete</p> <p>Our discussions with a sample of DLMs identified how they have made members of staff in their service aware of the Panel. However, this process is not fully embedded, as we spoke to members of staff in other service areas and found that they were not aware of the Panel or their DLM.</p> <p>More dedicated resources have been allocated to corporate safeguarding, as the role of the Chair of Panel has developed into more of a facilitator role to ensure that there is sufficient capacity for continuous improvement in raising the awareness of safeguarding.</p> <p>Further work is planned to raise awareness, as the Chair of the Panel is currently meeting DLMs to discuss their responsibilities and how they can raise awareness of safeguarding within their service. It is also anticipated that corporate safeguarding will be a standing agenda item at service manager meetings.</p> <p>There is also a communications sub-group of the Panel which has developed a marketing campaign. A budget has been secured to include developing promotional material. The Team Leader (Communications & Campaign Management) also attends this group to provide advice.</p>	<p>The Chair of the Panel is meeting DLMs to discuss their responsibilities and awareness raising within services.</p>
		<p>The Panel will develop a forward work programme.</p> <p>Corporate Safeguarding Panel – October 2015</p>	<p>Complete</p> <p>The Panel has prioritised three areas of work - communications, performance, and training and awareness. Each work stream has a sub-group that reports directly to the Panel. The Panel will assess its priorities every six months.</p>	

2.	Safeguarding risks are not always recorded and shared corporately to ensure that key risks have been identified and managed appropriately by services.	A communication will be sent to ensure that heads of service consider safeguarding when reviewing their risk registers. A question on safeguarding will also be included in the service challenge. Corporate Director: Communities – October 2015	<p>In progress</p> <p>The Corporate Director: Communities explained that Senior Leadership Team (SLT) was reminded at its meeting on 21 January 2016 to consider safeguarding when reviewing service risk registers. Therefore, it is too early for us to assess whether safeguarding risks are being considered, as risk registers have not been formally reviewed yet.</p> <p>We also note that safeguarding was briefly covered as part of a recent service challenge for Finance & Assets. The Corporate Director: Communities is invited to attend the Lines of Enquiry meetings, so she can ensure that safeguarding is covered where appropriate. However, we have advised about ensuring that this is evidenced where possible, as there is nothing currently that would prompt safeguarding to be included.</p>	Risk registers to be amended to incorporate safeguarding where appropriate. Service challenges to include a question on safeguarding where appropriate.
3.	The Deprivation of Liberty Safeguards (DoLS) process would benefit from a review as, currently, applications are not being prioritised and passed for assessment promptly. This results in poor customer service and could put the Council at risk of a legal challenge.	Establish a DoLS Co-ordinator post to manage and prioritise applications. Head of Service: Community Support Services – September 2015	<p>In progress</p> <p>There was a delay in appointing a DoLS Coordinator post as changes to the structure were needed before the post could be advertised.</p> <p>As part of this restructure, a new post of Team Manager for Adult Safeguarding was created and filled in January 2016, which will oversee the Protection of Vulnerable Adults, safeguarding and DoLS.</p> <p>The post of DoLS Coordinator has recently been filled, but a start date has not yet been confirmed.</p>	Once the DoLS Coordinator is in post and the restructure complete, we will assess whether the DoLS applications are being prioritised and passed for assessment promptly.
		Train more Best Interest Assessors	Complete	

		(BIA) to undertake BI assessments. Head of Service: Community Support Services – December 2015	The Corporate Director: Communities confirmed that 13 members of staff have been trained as Best Interest Assessors during 2015-16, and there is a rolling programme in place to ensure that this training continues.	
		Incorporate role of BIA within new practitioner job descriptions. Head of Service: Community Support Services – January 2016	Complete The Corporate Director: Communities explained that the new practitioner job descriptions have been amended to include the BIA role.	
4.	The Corporate Safeguarding Policy has not been made available to members of staff to help ensure that they are clear of their roles and responsibilities in relation to safeguarding. A lack of awareness could result in ineffective controls being put in place to prevent or manage safeguarding incidents, resulting in serious harm or death.	The Corporate Safeguarding Policy will be reviewed to ensure that it is up-to-date. The intention is to re-launch the Policy in April 2016 to take account of new legislation and guidance. The Policy is currently included in the induction process and on our website, but we will consider other briefing notes and guidance on safeguarding in the meantime. Corporate Safeguarding Panel & Communications Group – April 2016	In progress (Action not yet due) The Corporate Director: Communities explained that the policy has been updated. As the amendments are not significant, the policy will not have to be formally approved again by County Council. The Policy was circulated to the Panel in January 2016 but the minutes do not confirm the approval of the Policy despite Panel members confirming that approval was given. The Policy will be made available to members of staff and elected members on the Council's website, and a re-launch is planned for April 2016 as part of the marketing campaign developed by the communications sub-group. Training and the Chair of the Panel's discussions with DLMs will assist in raising awareness.	This action is not yet due. The next steps are to make the Policy available to members of staff and elected members and to ensure that they are aware of it. Use of the communications sub-group for the marketing campaign will assist in raising awareness of the policy as well as any training provided. Panel minutes should be updated to reflect that the Policy has been approved.
5.	The Safeguarding Action Plan would benefit from a review to ensure that the actions are up-to-date and still relevant. The Plan has not been effectively monitored, which could result in actions not being effectively managed. Consideration should be given to passing the	The Social Services Education Management Team (SSEMT) no longer exists, so the Corporate Safeguarding Panel will take over responsibility for monitoring the Safeguarding Action Plan. The Plan will be reviewed to determine whether existing actions are relevant and to take account of any new actions that should be	Complete As the Safeguarding Action Plan related to Education and Children's Services issues, the action plan was reviewed and a decision taken to disseminate any outstanding actions into either the service business plan for Education and Children's Services or the Corporate Safeguarding	

	responsibility of monitoring the Plan to the Corporate Safeguarding Panel.	included. This will be linked to the review of the Corporate Safeguarding Policy. Corporate Safeguarding Panel – October 2015	Policy.	
6.	There is no formal mechanism for recording and sharing safeguarding incidents and near misses corporately. This could result in a lack of awareness, so appropriate measures may not be put in place to prevent safeguarding incidents.	This is a standing item on the Corporate Safeguarding Panel agenda. We will also share case reviews where there is a corporate perspective for lessons learned. Corporate Safeguarding Panel – November 2015	Complete From Panel minutes, there is evidence of awareness raising of safeguarding issues and where lessons can be learned. Discussions are also held following incidents in other organisations.	
As part of the development of the CRM system, we will look at the feasibility of having a corporate system for recording safeguarding incidents. Corporate Director: Communities & Head of Service: Customer and Education Support – December 2015		No progress The Corporate Director: Communities is the project sponsor for Contact 360, for implementing a new customer relationship management (CRM) system. Once Phase 1 of the project has been implemented, she plans to incorporate corporate safeguarding into Phase 2.	We recognise that this action relies on progress with the development of the new CRM system. Once the project has progressed, consideration can be given as to how corporate safeguarding incidents can be recorded in the system.	
Service representatives will report any key messages from Panel meetings to members of staff within their services. Corporate Safeguarding Panel – October 2015		Complete Our discussions with a sample of DLMs identified how they have made members of staff in their service aware of the Panel. However, this process is not fully embedded as we spoke to staff in other service areas and they were not aware of the Panel or their DLM. More dedicated resources have been allocated to corporate safeguarding, as the role of the Chair of Panel has developed into more of a facilitator role to ensure that there is sufficient capacity for continuous improvement in raising the awareness of safeguarding.	While the awareness is not fully embedded across the Council, we are satisfied that the current actions being taken should address this issue.	

			<p>Further work is planned to raise awareness, as the Chair of the Panel is currently meeting DLMs to discuss their responsibilities and how they can raise awareness of safeguarding within their service. It is also anticipated that corporate safeguarding will be a standing agenda item at service manager meetings.</p> <p>There is also a communications sub-group of the Panel which has developed a marketing campaign. A budget has been secured to include developing promotional material. The Team Leader (Communications & Campaign Management) also attends this group to provide advice.</p>	
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 50</p>	<p>7. Not all services have considered what performance measures are needed in relation to safeguarding. Having this in place will assist in providing assurance that safeguarding arrangements are working effectively.</p>	<p>To be incorporated into the review of the Panel's terms of reference to identify whether performance management information needs to be obtained from services. Corporate Safeguarding Panel – November 2015</p>	<p>Complete</p> <p>The Panel's terms of reference have been reviewed and incorporate the following:</p> <ul style="list-style-type: none"> • Receive and challenge information about corporate safeguarding performance and the progress against work programmes commissioned. • Receive and monitor information about the performance management arrangements of every service in relation to their safeguarding responsibilities. <p>Performance is one of the Panel's work streams, and initially its focus is on two performance indicators:</p> <ul style="list-style-type: none"> • Roles requiring Disclosure Barring Service (DBS) checks have had them. • References have been received for all new starters. <p>Performance reports are submitted to the Panel on a quarterly basis.</p>	<p>Not applicable</p>

8.	<p>There is insufficient vetting of new starters, as the authenticity of certificates supplied to prove qualifications and professional membership are not verified for key posts within the Council. This increases the risk of inappropriate appointments and may mean that children and vulnerable adults are not adequately protected if certificates are fake.</p>	<p>Determine the key posts within the Council that could have an impact on safeguarding. Then we will review the process for these posts to ensure that there are adequate checks done, either by the Council or through an external body. Every new employee contract issued makes reference to safeguarding. Corporate Safeguarding Panel – October 2015</p>	<p>In progress</p> <p>The Corporate Director: Communities confirmed that the key posts that will have an impact on safeguarding are governed by those that require a DBS check. She is satisfied that there are sufficient controls within the process for checking key social care roles, e.g. checking registration details for social workers with the Care Council for Wales. However, the Panel needs to ascertain the process for other key posts to determine whether the employee is legitimately qualified and/or has obtained professional membership.</p> <p>The HR Team Manager confirmed that contracts issued to new employees now refer to the safeguarding responsibilities of the employee.</p>	<p>The Panel needs to ascertain the vetting process to ensure that key posts that have an impact on safeguarding are legitimately qualified and are registered with the relevant professional organisation, where appropriate.</p> <p>Once these processes are clear, we will carry out testing to confirm the robustness of the measures in place.</p>
9.	<p>HR advises that new employees should not start work before a Disclosure Barring Service (DBS) check is returned, unless in exceptional cases. However, services are not allowing sufficient time for the DBS check to be cleared before the employee starts work. If adequate arrangements are not being put in place to counteract this, this may result in a lack of adequate protection for children and vulnerable adults.</p>	<p>To be included in the above review. HR does monitor this and the relevant head of service is contacted where an employee has started employment without a DBS check being in place. The Corporate Safeguarding Panel also receives a report from HR detailing this.</p> <p>HR is doing a presentation to SLT on Safer Recruitment in September. Corporate Safeguarding Panel – October 2015</p>	<p>Complete</p> <p>We confirmed that HR carried out a presentation of Safer Recruitment in September 2015. The Corporate Director: Communities also advised us that the DBS Policy has been reviewed to include checks for overseas personnel, and the Corporate Safeguarding Policy has incorporated the North Wales Professional Concerns Protocol.</p> <p>This has been built into the performance work stream, with quarterly reports being submitted at Panel meetings. Compliance with carrying out DBS and reference checks has also recently been reported to SLT, with significant improvement for the DBS checks. The main concern at this stage is compliance with carrying out reference checks for new members of staff and especially internal staff who have moved to a different service. These compliance reports will continue to be circulated to</p>	

			<p>heads of service on a monthly basis and work will be undertaken with their HR business partner where any non-compliance is identified.</p> <p>Our testing of a sample of new starters to the Council confirmed that DBS and references checks were carried out promptly.</p>	
10.	<p>There is a general lack of awareness about safeguarding amongst staff due to a lack of training. This could result in employees not fulfilling their duty of care in reporting safeguarding issues.</p>	<p>There have been training initiatives on safeguarding in some services, but a corporate safeguarding training package is currently being developed by the Learning & Development Specialist (HR). It is hoped that this package will be piloted in October 2015.</p> <p>Corporate Safeguarding Panel – December 2015</p>	<p>In progress</p> <p>Training and awareness is one of the Panel's work streams. Training initiatives within some services have continued, e.g. within Education and Children's Services and Communication, Marketing & Leisure.</p> <p>The Learning & Development Specialist (HR) has started to design a corporate e-learning training module for corporate safeguarding, which was presented to Panel members in July 2015 for feedback.</p> <p>However, there has been a delay in further progressing the development of this training module due to key Panel members involved in the project leaving the Council. However, the new Social Services and Wellbeing (Wales) Act is due to be implemented in April 2016 and the new training module also needs to take into account the impact of the new legislation. The re-launch of the Corporate Safeguarding Policy is intended to coincide with the launch of the new e-learning training module.</p>	<p>Progress with the development and implementation of the e-learning module to raise staff awareness of safeguarding.</p>
11.	<p>Not all of the elected members have attended mandatory training on safeguarding so may not be clear of their roles and responsibilities. Having an elected member responsible for corporate safeguarding will assist in preventing the</p>	<p>We have recently carried out a training session for elected members on safeguarding.</p> <p>There are planned briefing sessions on safeguarding and Child Sexual Exploitation to County Council starting in November 2015. The</p>	<p>In progress</p> <p>The Corporate Director: Communities confirmed that the Leader has overall responsibility for Corporate Safeguarding and attends Panel meetings.</p> <p>Mandatory training sessions for elected</p>	<p>Elected members need to be clear of their roles and responsibilities in respect of safeguarding through their attendance at training sessions.</p>

	<p>misconception that safeguarding is the role of Social Services and Education.</p>	<p>Leader has agreed to include corporate safeguarding into his portfolio. Corporate Director: Communities – December 2015</p>	<p>members were held in May and July 2015.</p> <p>A Council briefing training session on Safeguarding and Protection was held in November 2015, with further sessions being planned for March 2016 (Child Sex Exploitation) and June 2016 (Lessons from Rotherham). The Corporate Director: Communities hopes that these sessions will cover those members who have not attended the mandatory training sessions.</p> <p>Our analysis of the training sessions held (May, July and November 2015) identified that:</p> <ul style="list-style-type: none"> • 43% of members have not attended any corporate safeguarding training. • 25% of members have attended the Council briefing session but not any of the mandatory sessions. • 32% of members have attended a mandatory training session and the Council briefing. 	
12.	<p>Safeguarding arrangements with third party contractors are not robust to ensure that they have appropriate processes in place to manage safeguarding. Due to a lack of awareness, project managers within the Council may not incorporate safeguarding into the contract management process.</p>	<p>To be discussed with the Interim Head of Finance and Assets & Head of Legal, HR and Democratic Services.</p> <p>Key points of conversation to be addressed include:</p> <ul style="list-style-type: none"> • Contractor DBS checks • Ensuring that Council staff responsible on site for the contractor and managing the tendering/contract process are clear of their responsibilities in respect of safeguarding • Ensure contracts terms and conditions (including JCT) in relation to DBS checks are appropriate • Ensure that self-assessment arrangements as part of contract 	<p>In progress</p> <p>The Corporate Director: Communities confirmed that she has discussed this issue with the Interim Head of Finance, Assets & Housing and the Strategic Procurement Manager, as this needs to be considered as part of the wider Procurement Transformation Project that is currently being implemented. It was also recently raised as part of the Service Challenge.</p> <p>The Programme Manager leading this project explained that there is a draft commissioning form, which includes a question on safeguarding. This should act as a prompt for services tendering for contracts where there may be</p>	<p>The commissioning form will be in place by 1 April 2016, which should provide more control where there are contracts where DBS checks need to be carried out.</p> <p>We will carry out a further review to take into account additional measures put in place as a result of the Procurement Transformation project.</p>

		<p>management are appropriate Corporate Director: Communities - December 2015</p>	<p>safeguarding issues.</p> <p>The Legal Services Manager also confirmed that the standard terms and conditions for contracts are currently being reviewed, and can look at JCT and other types of contracts to ensure that the information in relation to DBS checks is appropriate.</p> <p>The Corporate Director: Communities advised us that she is project sponsor for the Modernising Education programme so can monitor to ensure that safeguarding is considered in any contract arrangements.</p>	
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Report Recipients

- Corporate Director: Communities
- Chair of Corporate Safeguarding Panel (Lead Officer for Young People, Safeguarding and Workforce Development)
- Leader of the Council
- Chief Executive Officer
- Safeguarding Panel Members

Key Dates

Review commenced	February 2016
Review completed	March 2016
Reported to Corporate Governance Committee	23 March 2016
Proposed date for next follow up review	To be agreed with Corporate Governance Committee

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Report To: Corporate Governance Committee

Date of Meeting: 23rd March 2016

Lead Member / Officer: Councillor Julian Thompson-Hill

Report Author: Richard Weigh, Chief Finance Officer

Title: WAO Report Financial Resilience Assessment

1. What is the report about?

A Wales Audit Office have completed an assessment of the council's 'financial resilience' following on from national study published last year.

2. What is the reason for making this report?

To present a WAO national study report.

3. What are the Recommendations?

To consider the report and the recommendation made.

4. Report details

The report by the Auditor General for Wales titled 'Financial Resilience Assessment Denbighshire County Council' is attached.

The assessment was completed during the period May to October 2015, and followed up issues highlighted in the 2014-15 financial position work. The focus of the work was on the delivery of 2014-15 savings plans, and the 2015-16 financial planning period.

The report concludes that the Council has appropriate financial management arrangements in place. The one recommendation is to establish a formal policy on income generation and charging and a register of the charges set by departments. This will be addressed as part of the 17/18 budget process.

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

Robust financial planning, control and governance arrangements underpin the delivery of the council's corporate priorities.

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

Not applicable to this report.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?

Not applicable to this report.

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

Not applicable to this report.

9. Chief Finance Officer Statement

The report provides a positive assessment of the council's financial arrangements. The council's policy on fees and charges is set out in Financial Regulations and has been included in annual budget rounds. This will be enhanced as part of the 17/18 process and departmental registers maintained.

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

The study outlines risks and recommendations at a national level.

11. Power to make the Decision

Report produced under the Public Audit Wales Act 2004 and the Local Government (Wales) Measure 2009.



Financial Resilience Assessment

Denbighshire County Council

Audit year: 2015-16

Issued: January 2016

Document reference: 747A2015

Status of report

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This report has been prepared on behalf of the Auditor General for Wales by Gwilym Bury, Gareth Evans, Jeremy Evans, Fflur Jones, Gareth Evans, and Anthony Veale under the direction of Jane Holownia.

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Summary report

Summary

1. Good financial management is essential for the effective stewardship of public money and the delivery of efficient public services. Good financial management:
 - helps authorities take the right decisions for the short, medium and long term;
 - helps authorities deliver services to meet statutory obligations and the needs of local communities;
 - is essential for good corporate governance;
 - is about managing performance and achieving strategic objectives as much as it is about managing money;
 - underpins service quality and improvement;
 - is the basis of accountability to stakeholders for the stewardship and use of resources; and
 - is a key management discipline.
2. Long-term financial management is not about predicting the future; it is about preparing for it. Authorities need to understand future demand, assess the impact of probable changes, review the gap between funding needs and possible income, and develop appropriate savings strategies.
3. Well-considered and detailed long-term financial strategies and medium-term financial plans can ensure the delivery of strategic priorities by enabling appropriate financial choices. Conversely, short-term annual budget planning alone encourages an incremental and process-driven approach that can be ineffective in a period of rapid external change.
4. Financial resilience is achieved when an authority has robust systems and processes to effectively manage its financial risks and opportunities, and to secure a stable financial position.
5. Given the continuing pressures on funding, we have considered whether the authority has appropriate arrangements to plan to secure and maintain its financial resilience in the medium term (typically three to five years ahead). While there may be more certainty for the authority over an annual cycle, financial pressures impact beyond the current settlement period. We have considered evidence of the authority's approach to managing its finances in the recent past and over the medium term when reaching our view on the authority's financial resilience.
6. We undertook our assessment during the period May to October 2015, and followed up issues highlighted in the 2014-15 financial position work. The focus of the work was on the delivery of 2014-15 savings plans, and the 2015-16 financial planning period.

-
7. The work focused on answering the following question: **Is Denbighshire County Council (the Council) managing budget reductions effectively to ensure financial resilience?** In this report we also consider whether:
- **financial planning arrangements effectively support financial resilience;**
 - **financial control effectively supports financial resilience; and**
 - **financial governance effectively supports financial resilience.**
8. Overall we concluded that the Council has appropriate financial management arrangements but needs to strengthen its approach to income generation. We came to this conclusion based on our findings in relation to financial planning, financial control, and financial governance arrangements.
9. This report gives a risk rating for each aspect: financial planning, financial control and financial governance. The descriptors for risk ratings are set out below.

Low risk	Arrangements are adequate (or better) with few shortcomings in systems, process or information. Impact on the authority's ability to deliver its financial plan may be minimal.
Medium risk	There are some shortcomings in systems, process or information that may affect the authority's ability to deliver the desired outcomes of its financial plan.
High risk	There are significant shortcomings in systems, process or information and/or there is a real risk of the authority's financial plan not delivering the desired outcomes.

10. We rate the risk to the Council's delivery of its financial plan for each of these elements as follows.

Low risk	Financial planning
Medium risk	Financial control
Low risk	Financial governance

11. As well as drawing conclusions on financial planning, control and governance, **Appendix 1** sets out the Council's performance against some key financial indicators. No conclusion is intended to be drawn from these indicators, however, they are an important consideration in financial strategy and planning and provide useful context. The key financial indicators are:
- **budgetary performance** – reviewing the history of spending against revenue budgets and an assessment of whether the balance sheet has remained healthy;
 - the level of useable **reserves** providing sufficient cover for any future slippage on revenue expenditure, and whether school balances are being maintained and any school deficits managed;

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- gearing – long-term **borrowing** is linked to the value of property plant and equipment;
 - **liquidity** – an analysis of whether there are sufficient current assets available to cover short-term liabilities and working capital requirements and whether the liquidity position has declined as a result of the gearing policy adopted; and
 - **workforce** data such as staff numbers, use and costs of agency staff and sickness absence performance.
12. Our April 2015 national report **The financial resilience of councils in Wales** was based on fieldwork carried out in all Welsh local authorities. From this work, and from other available material related to aspects of financial management, we have drawn together some key characteristics of good practice to assist practitioners in developing their arrangements. These characteristics can be found in [Appendix 2](#).

Recommendations/proposals for improvement

13. Here is the following proposal for improvement arising from this review.

Income generation and charging

- P1 Establish a formal policy on income generation and charging and a register of the charges set by departments.

Detailed report

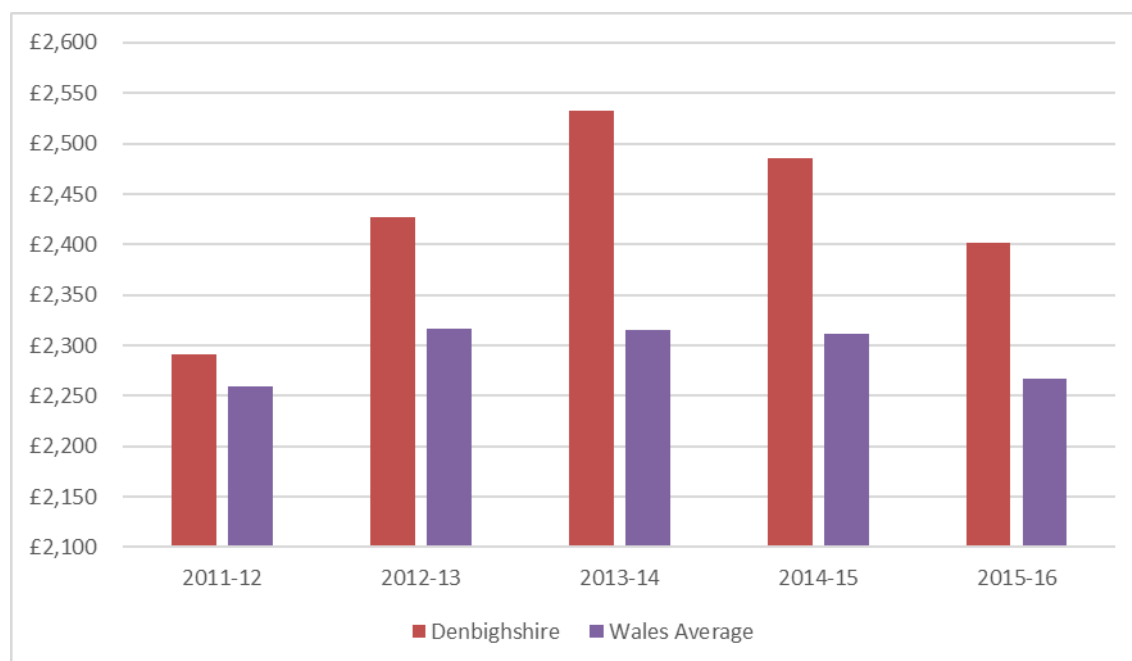
The Council has appropriate financial management arrangements but needs to strengthen its approach to income generation

Financial planning

The Council's future plans and arrangements to deliver savings are fit for purpose and are being effectively managed

14. Local government in Wales receives the bulk of its funding through what is known as Aggregate External Finance (AEF). Comparing AEF across the period 2010-11 to 2014-15 is complicated for two main reasons. Firstly, the Welsh Government has incorporated into AEF grants that were previously provided separately. The picture is further complicated by the devolution of council tax benefit, which has been incorporated into the AEF. Having considered this, we estimate that there has in fact been a real-terms reduction in funding to Welsh local authorities by the Welsh Government of £464 million (10 per cent) between 2010-11 and 2014-15.
15. **Exhibit 1** below compares the Council's planned gross revenue expenditure (net of income) per head of population over the last five years with the average for councils across Wales.

Exhibit 1



Source: Stats Wales

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16. The graph shows that expenditure per head in Denbighshire was well above the Wales average in each of the four years prior to 2015-16. This reflects mainly the factors such as deprivation and rurality that influence the Welsh Government's distribution formula for Revenue Support Grant. However, the 2011 Census also revealed that previous population projections, on which funding levels had been based, had over-estimated the population of Denbighshire. As a result, expenditure per head appears to have increased by significantly more than the increase in the Wales average since 2012-13. Since 2011-12, we calculate that spend per head has increased by three per cent in real terms in Denbighshire compared with an average three per cent reduction across Wales (with 2014-15 as the last year of data).
 17. There is an effective corporate framework for financial planning at the Council. Its overall vision and aims are clearly articulated through its Corporate Plan 2012-17 which details the seven improvement objectives the Council aims to achieve for its citizens. The Council has a robust mechanism in place for ensuring improvement objectives are linked to, and protected by, service plans and that budgets and financial plans are set in line with the delivery of these objectives. Progress is measured through the Council's performance monitoring framework and is reported each year through the Council's Annual Delivery Document.
 18. There are a number of policies supporting the Council's financial planning arrangements, with responsibilities set out in respect of budget setting, monitoring and reporting. The Council has a Medium Term Financial Plan (MTFP) which is currently in the process of being updated. The 2014 version sets out how the remaining savings gap is to be addressed in 2015-16 and beyond.
 19. The Council's approach to setting its revenue budget changed for the 2015-16 financial year. While previously the Council approach has been to reduce costs incrementally, for 2015-16, services were reviewed under a Freedoms and Flexibilities programme to achieve a target of £18 million savings over the next two years. This budget process focuses on what a service does and how much it costs, and attempts to analyse whether service provision is statutory, aligned to a corporate priority or discretionary.

Financial control

The Authority has effective controls in place to ensure its financial processes and management are robust, but needs to strengthen its approach to income generation

20. The Council's 2015-16 savings and efficiencies plans are being effectively managed and are likely to be achieved. Despite a very challenging grant settlement from the Welsh Government, the Council set a balanced budget for 2015-16 by identifying savings of £7.3 million, increasing Council Tax by 2.75 per cent and funding the remaining shortfall of £0.5 million from general balances.

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21. Efficiency savings plans had been developed for 2015-16 across all Council departments. The plans include clear descriptions of where savings would be made.
 22. Denbighshire's savings plan is specific, measurable, achievable, relevant and timely. Over the last three years, over 90 per cent of the required savings were achieved by the end of the second quarter. Monthly budget reports are presented to the Cabinet together with reports on any shortfall in savings. The Council's 2015-16 Savings Plan takes appropriate and relevant account of the future financial pressures the Council faces. Assumptions made by the Council in identifying the shortfall were comprehensive and reasonable and were supported by robust data..
 23. Each year the Council reviews its level of reserves and provisions in respect of both earmarked and general reserves, a process which has been incorporated into the budget setting processes and member workshops. This process should also be formally completed at the year-end accounts. There is an inconsistency between the strategy for reserves as set out in the MTFP 2014-18 and the approach to reserves taken in setting the budget for 2015-16.
There is a need to address this disconnect to ensure the Council's approach is consistent and that its key policies and procedures align effectively.
 24. The Council also do not currently have a formal policy on income generation/charging, neither do they have a register of the charges set by respective departments. Although some discussion around charging takes place during the budget-setting process, these are not consistent across services and need to be formalised to ensure the Council has a prudent and considered approach. In our 2015 report **Supporting the Independence of Older People: Are Councils Doing Enough?** we highlighted that where there was an absence of income generation policies there is a greater risk that councils are changing services without fully assessing the potential impact on, for example, older people, which undermines their ability to fully meet the Public Sector Equality Duty.

Financial governance

The Council has robust arrangements for reviewing and challenging financial performance and those responsible for managing financial performance are held to account

25. In the last year a few senior officers with financial responsibility have gained promotion and in order to maintain investment into and effective delivery of financial responsibilities the Council needs to ensure that capacity within the Finance service remains adequate.
26. There is a robust framework for reviewing and challenging financial performance at the Council. The Council's new forecasting monitoring and reporting system, 'Collaborative Planning', is effective in ensuring a consistent approach to budgetary control across the Council. As we reported in our last Annual Improvement Report 'Collaborative

Planning' ensures a more consistent approach to budgetary control across the Council by collating budgetary information onto an online system and reducing the need for the use of various spreadsheets within different service departments.

27. The Cabinet receives a monthly budget report. The report shows the projected outturn for the year (rather than the position at a particular point in time) compared to the original budget. The monthly reports contain details of any significant variation in spend coupled with corrective action.

Appendix 1

Performance against key financial indicators

The use of key financial indicators within medium term financial planning provides insight into the effectiveness of financial management arrangements and financial resilience, particularly for important issues such as liquidity, gearing, return on investments and borrowing levels. As part of our financial resilience work we have collated data from the Council’s own statement of accounts and also used data from the Welsh Government.

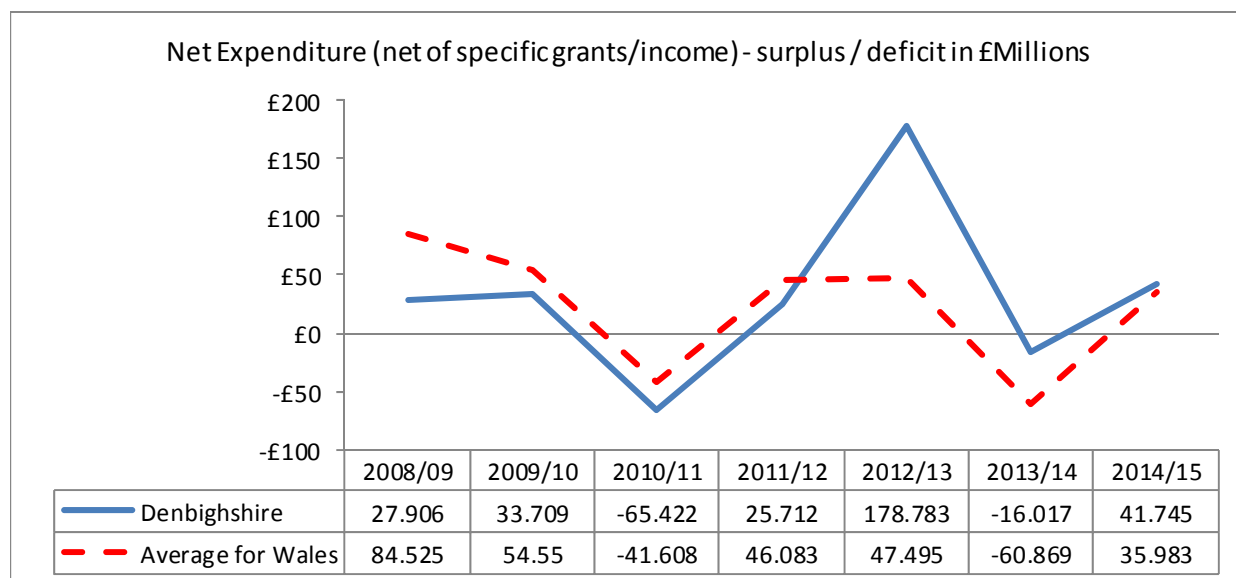
Performance against budget

We looked at the history of underspends or overspends against revenue budgets and performance on the outturn of net revenue expenditure. This helps validate both the strength of planning arrangements and the effectiveness of financial control. A good track-record of delivering expenditure and savings in line with the approved budget is a strong indicator of whether future financial plans, including large savings, can be delivered.

Councils that continue to deliver revenue budget overspends in demand-led services, such as adult and children’s social care, are likely to face financial difficulties in the future.

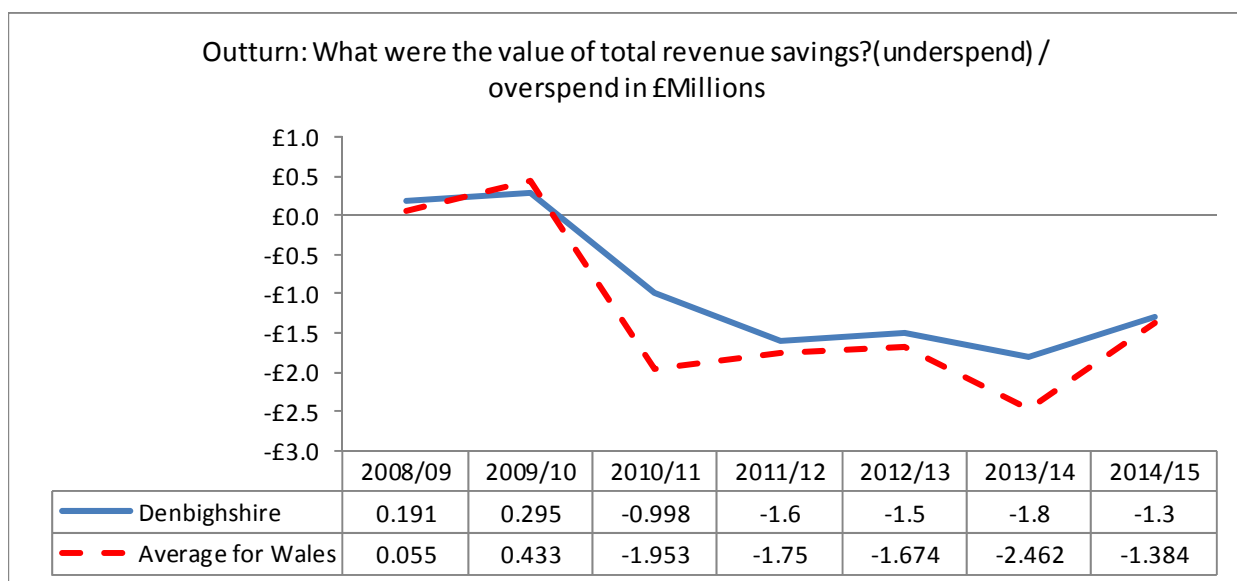
Councils are performing well when they have minimised net budget deficit (or achieved a slight surplus) and delivered a favourable net out-turn position. The following indicators are useful to understand performance.

Appendix 1, Figure 1: Net (surplus)/deficit on income and expenditure



Appendix 1, Figure 2: The value of total revenue savings?

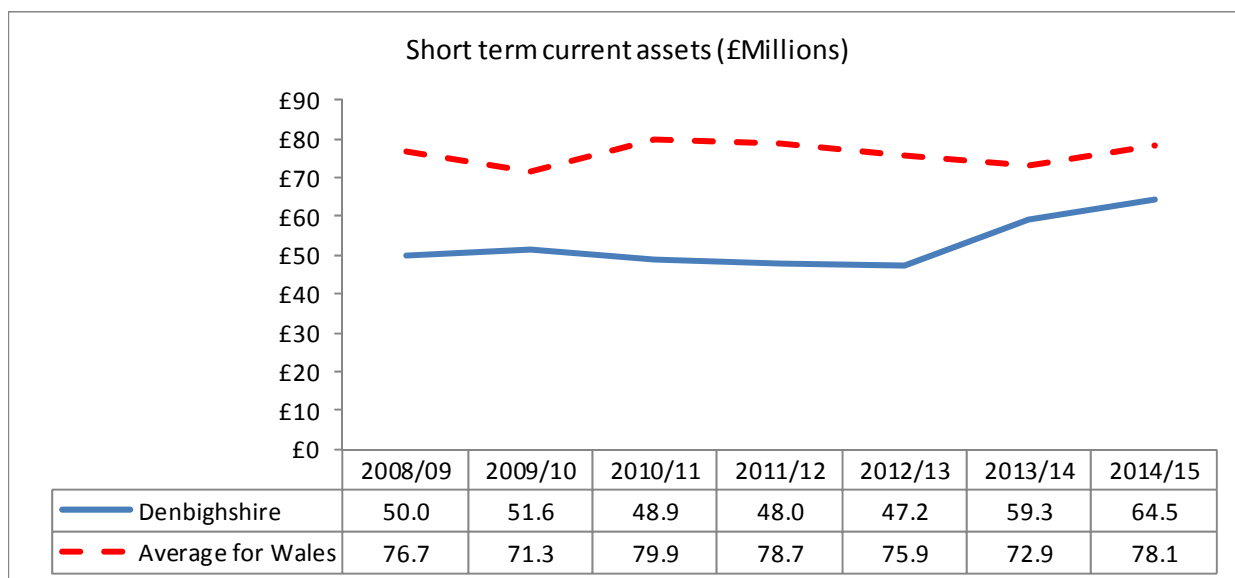
An underspend is shown as negative; an overspend is shown as a positive



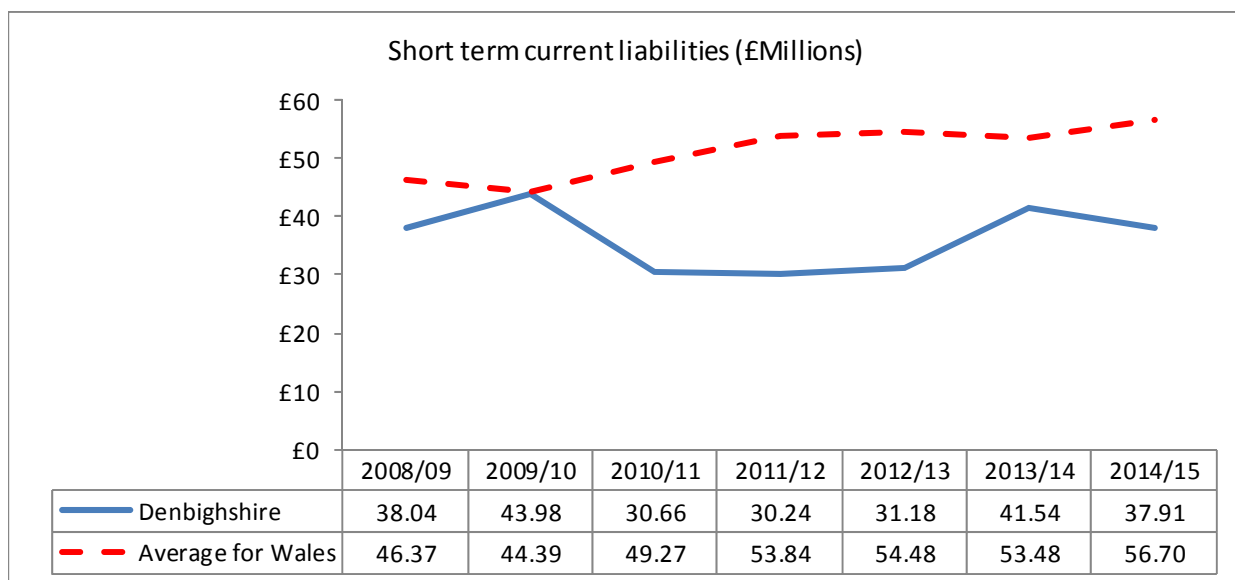
Liquidity (Short-term current assets divided by short-term current liabilities)

This indicator determines whether there are sufficient assets to cover short-term liabilities. The 'current ratio' of assets (assets that are readily convertible to cash) to liabilities (short-term liabilities that require prompt payment) gives an indication of liquidity. Liquidity is important as it provides an indication of how easy it is to convert assets to cash in a short period of time, which gives the owner of the asset greater financial freedom.

Appendix 1, Figure 3: Short-term current assets in £ Millions

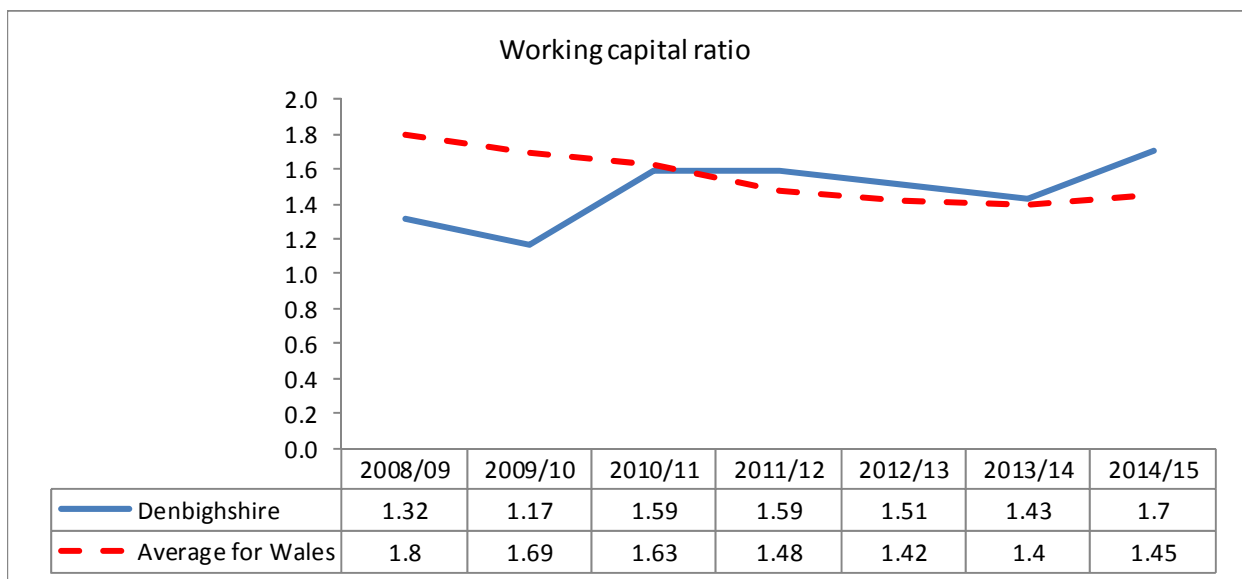


Appendix 1, Figure 4: Short-term current liabilities in £ Millions



The working capital ratio is calculated by dividing the short term current assets by short-term current liabilities. Any ratio below 1:1 is very poor and ideally should be above 1.5 to provide a suitable buffer to cover working capital needs. A working capital ratio value of less than 1:1 suggests that the Council will have liquidity problems in the future, while a ratio in the vicinity of 1:5 or higher represents good short-term liquidity.

Appendix 1, Figure 5: Working capital ratio

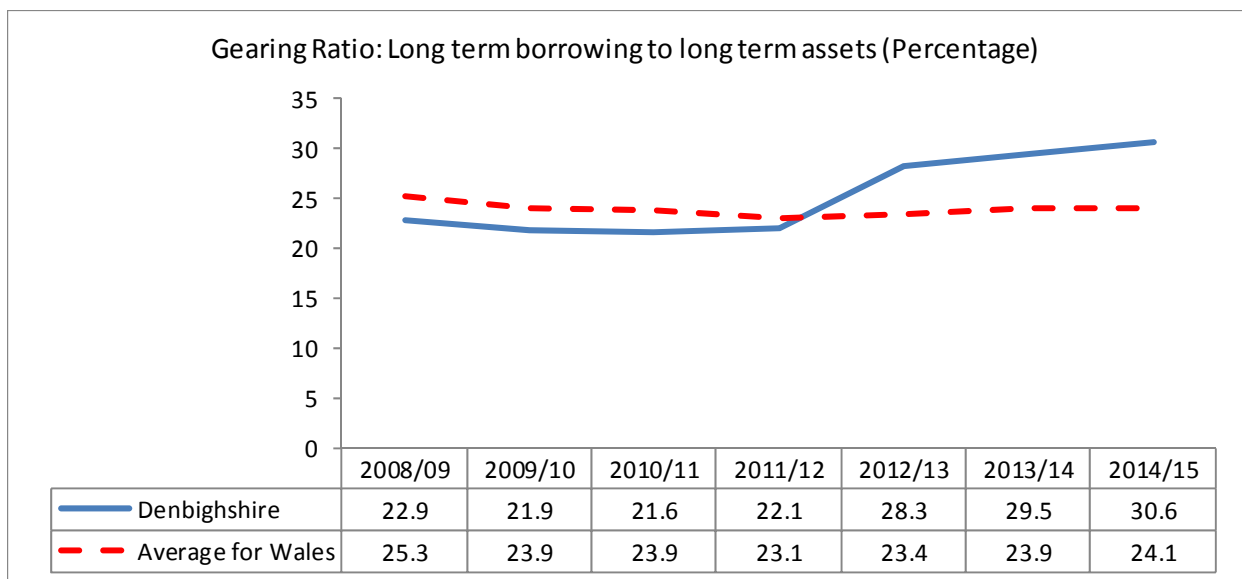


Borrowing

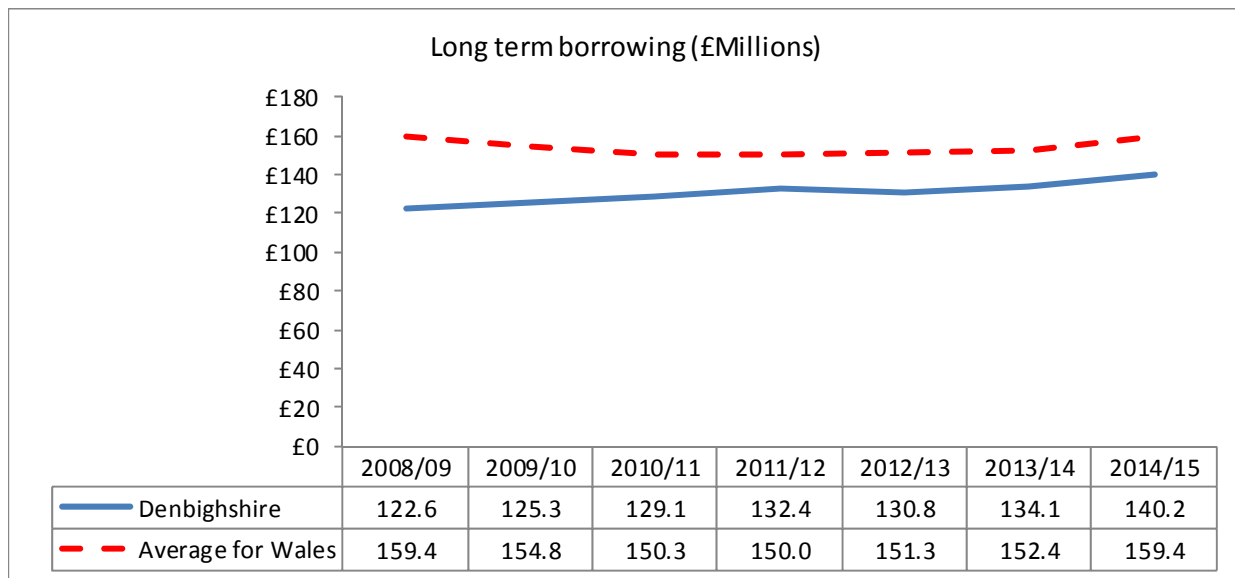
This indicator looks at long-term borrowing (Figure 7) as a proportion of long-term assets (Figure 8). This is known as the 'gearing ratio'.

A low gearing ratio indicates that a council is financially stable and can generally borrow more freely as it will be better placed to pay the interest than those with higher ratios. Gearing is therefore a useful measure of corporate financial health as it allows a comparison between council funds and borrowed 'debt'. Gearing should generally be around 25 per cent unless liquidity (shown in Figure 5) is very strong. The gearing ratio data for Denbighshire includes borrowing to meet the Welsh Housing Quality Standard which is only a factor for those councils in Wales where tenants voted to remain with the Council as its landlord.

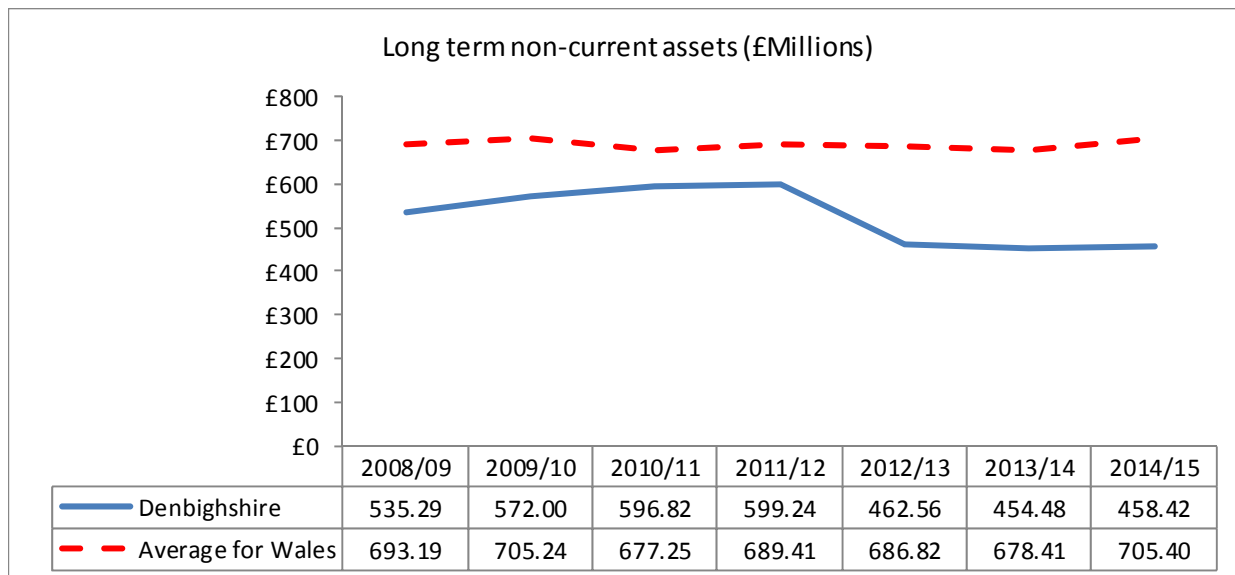
Appendix 1, Figure 6: Gearing Ratio, long-term borrowing as a percentage of long-term assets



Appendix 1, Figure 7: Long-term borrowing in £ Millions



Appendix 1, Figure 8: Long-term non-current assets in £ Millions

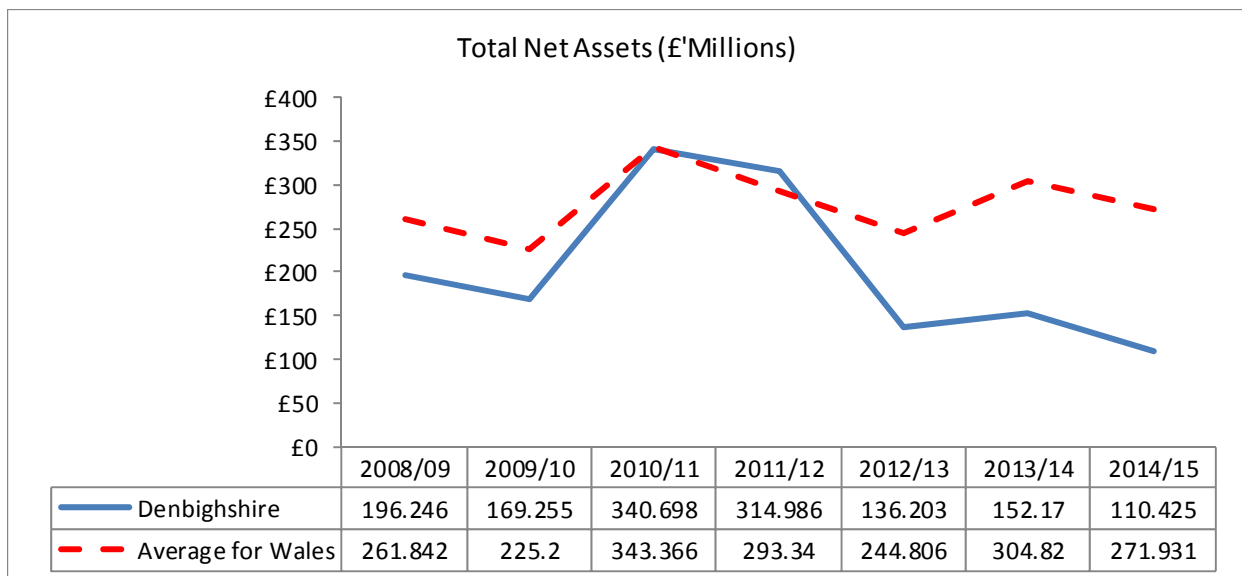


Reserves

Net assets/liabilities

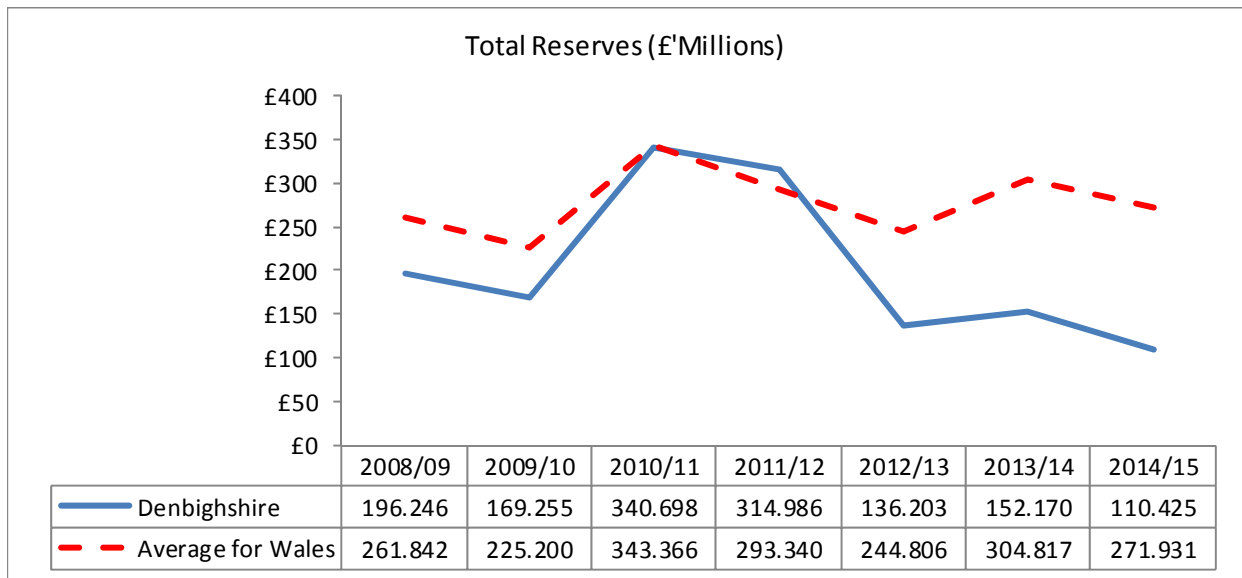
This indicator examines the net position of total assets and total liabilities; and ensures they agree to the total of reserves. A net liability is a sign of very poor financial standing. Total Net Assets includes: Short-term current assets, Long-term non-current assets, Short-term current liabilities, Long-term borrowing and other long-term non-current liabilities.

Appendix 1, Figure 9: Total Net Assets in £ Millions



Total reserves includes: General Fund, Earmarked Reserves, School Balances, Other Useable Reserves and Unuseable Reserves.

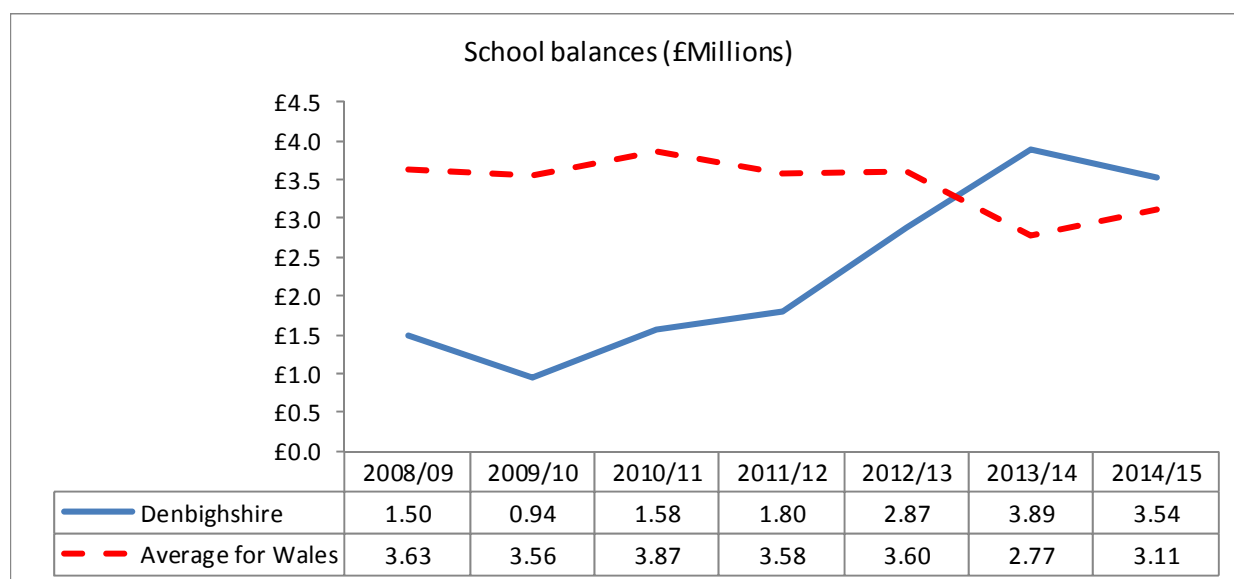
Appendix 1, Figure 10: Total Reserves in £ Millions



School balances (Council-run schools only)

This indicator examines whether net school balances are being maintained with deficits. School balances form part of useable earmarked reserves on the balance sheet and have been extracted from the notes to the accounts which show the movements during the year.

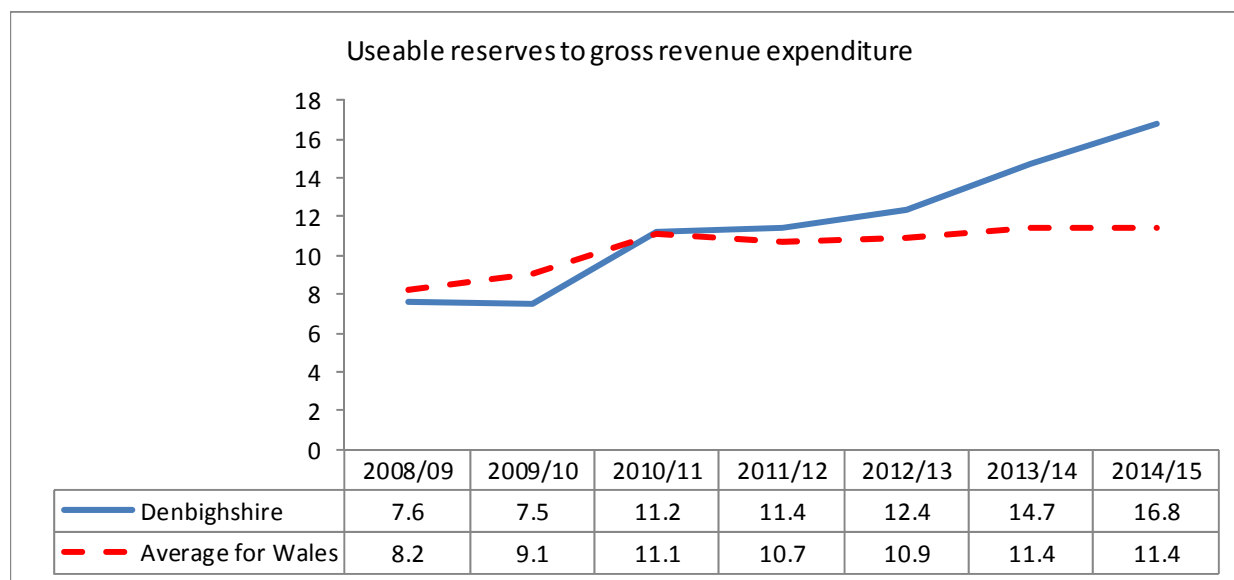
Appendix 1, Figure 11: School Balance Reserves in £ Millions



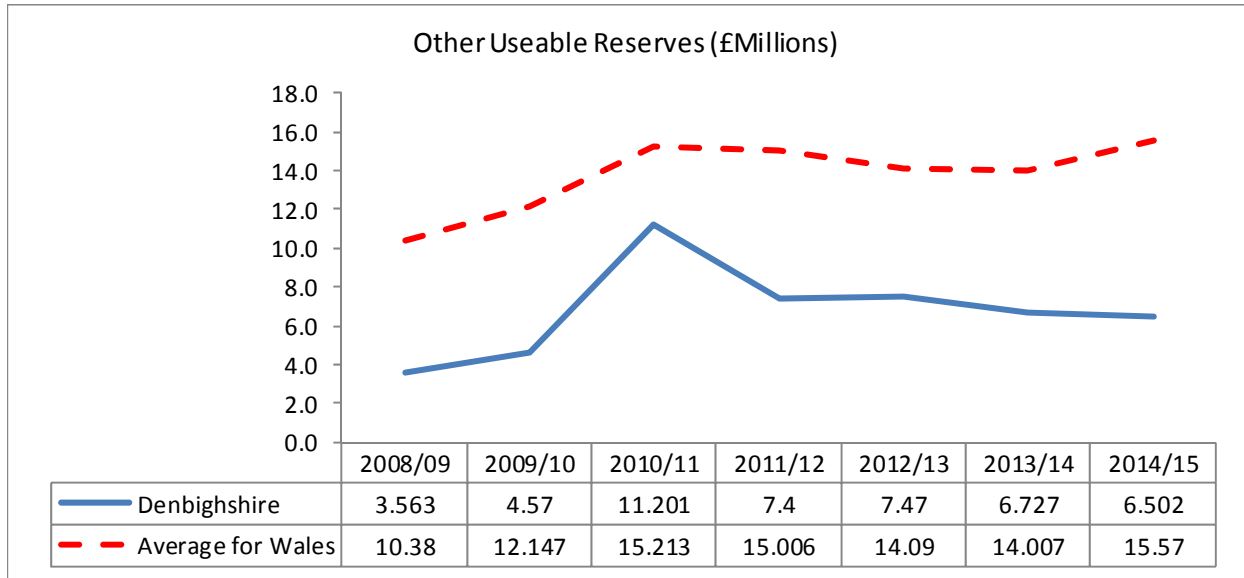
Useable reserves

The indicator used here is, 'Total usable reserves as a percentage of Gross Revenue Expenditure'. This includes 'General Fund' and earmarked reserves. The total of useable reserves is divided by total Gross Expenditure, and provides a ratio which shows the buffer available to cover future spend. Anything above 10 per cent is a good indicator of reserve strength. However, this does not mean that levels below this indicate weakness either. Councils should consider and agree an appropriate level of reserves for their own circumstance, based on recommendation from the s151 officer.

Appendix 1, Figure 12: Useable Reserves as a percentage of Gross Revenue Expenditure



Appendix 1, Figure 13: Useable Reserves in £ Millions



Appendix 2

Key characteristics

Key characteristics of good financial planning

The authority's budget is set in the context of a longer-term financial strategy and a medium-term financial plan covering a three- to five-year horizon.

The authority has clearly identified the savings it intends to make over a three- to five-year term. The savings plan is underpinned by detailed costings and delivery plans for individual savings (including transformation/change savings).

The authority has a good track record of delivering on its savings plans.

The authority gives due regard to its ability to deliver its statutory responsibilities when considering its short-, medium- and long-term financial plans.

Medium-term financial planning and annual budgeting reflect the authority's strategic objectives and priorities for the year, and over the longer term.

Assumptions around inflation, income levels, demographics, future demand for services and the costs of delivering services are modelled and based on reasonable predictions.

The authority understands its sources of income and the risks arising from these, and has reviewed its approach to fees and charges to ensure it achieves value for money.

Financial and corporate planning processes are integrated, link to risk management arrangements, and incorporate strategic planning for other resources including the capital programme and workforce planning.

The authority uses financial modelling to assess likely impacts on financial plans and required savings for different scenarios, and to help ensure short-term fixes are not achieved at the expense of long-term sustainability.

The authority models key expenditure drivers (for example, population changes and demand for services), sources of income (for example, income and government grant forecasts), revenue consequences of capital and resource requirements and balances.

The authority operates within a level of reserves and balances (including earmarked reserves and the general fund balance), approved by members, and appropriate to the strategic, operational and financial risks it faces.

If the authority is not at its target level for balances, there is planned action in place to achieve this, taking account of any associated risks to the organisation's financial position and delivery of its priorities.

Key characteristics of good financial control

The authority has an appropriate and effective budget management policy that clearly sets out roles, responsibilities and accountability. The scheme of delegation is clear, and processes are set out to manage budget under and overspends.

Financial monitoring and forecasting is fit for purpose and accruals based, helping to ensure a clear link between the budget, in-year forecasts and year-end position.

The authority analyses and extrapolates relevant trends, and considers their impact on the projected final out-turn.

The authority takes timely action to address any budget pressures, for example by taking corrective action to manage unfavourable variances or by revisiting corporate priorities.

The authority has a good recent record of operating within its budget with no significant overspends.

The authority has agreed a clear policy on the use of its reserves. There is a clearly justified minimum level for its 'general fund' reserves balance. There is a clear rationale to explain transfer from, or between, reserves. Clear protocols explain how and when each reserve should be used. Decisions about reserves are underpinned by a comprehensive assessment of risk and current performance.

The reserves policy has been agreed by members and subject to scrutiny.

The authority has a clear policy on income generation/charging. There is a register of charges across its services to help manage charges consistently. The authority has corporate guidelines on how concessions should be applied. Charges are regularly reviewed and the policy updated.

The authority sets and monitors challenging targets for the collection of material categories of income and arrears based on age profile of debt. Where targets are not being met, appropriate corrective action is taken during the year to achieve the targets.

The authority does not write off significant levels of debt as uncollectable.

The authority monitors its key financial ratios, benchmarks them against similar bodies and takes action as appropriate.

The annual governance statement gives a true reflection of the authority.

Key characteristics of good financial governance

The leadership team clearly understands the significant and rapidly changing financial management challenges and risks facing the organisation, and is taking appropriate action to secure a stable financial position.

The chief financial officer is a key member of the leadership team, being actively involved in all business decisions, and promoting and delivering good financial management.

The leadership team fosters an environment where there is good understanding and routine challenge of financial assumptions and performance, and a culture of transparency about the financial position.

The leadership team considers the financial skills required for different tiers of management and staff throughout the organisation, and actively develops financial literacy and skills.

The leadership team provides constructive scrutiny and challenge on financial matters to ensure arrangements remain robust and fit for purpose.

There is regular and transparent reporting to members. Reports include detail of action planning and variance analysis.

Members scrutinise and challenge financial performance effectively, holding officers to account.

The authority has an objective, knowledgeable and effective audit committee that provides effective challenge across the authority and assurance on the arrangements for risk management, maintaining effective internal control, and reporting on financial and other performance.

Internal and external audit recommendations are dealt with effectively and in a timely manner.

There is effective engagement with stakeholders on budget issues, including public consultations.

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Report To:	Corporate Governance Committee
Date of Meeting:	23 rd March 2016
Lead Member / Officer:	Julian Thompson Hill – Lead Member Finance & Performance Alan Smith – Head of Business Improvement & Modernisation
Report Author:	Alan Smith
Title:	Risk Management for Well Being of Future Generations Act

1. What is the report about?

The report explores the changes required in the way we manage risk in the Council.

2. What is the reason for making this report?

In order to comply with the Well-being of Future Generations Act the Council needs to review the way it manages risk. This report explores some of the issues this change raises for the Council, and considers its potential impact on the Corporate Risk Register.

3. What are the Recommendations?

There are no recommendations. The report is for information and discussion.

4. Report details

The Well-being of Future Generations Act includes far reaching changes to the way the Council is required to conduct its business. For example, it will be required in future to demonstrate how it is contributing to the seven aims by publishing annual Well-being objectives. More fundamental is the expectation that the Council will change the way it makes decisions by taking into account the five Sustainable Development Principles: Long term; Prevention; Integration, Collaboration, Involvement.

The first of these – long term – creates a particular challenge for risk management. Under the terms of the Act, long term means around 35 years or longer. Whilst we have a robust system of corporate risk management in place in the Council, in practical terms, this works to a short term horizon of 2 to 3 years, or at least, not longer than the 5 year duration of the Corporate Plan, so to assess long term risks will take a new approach.

Risks can broadly be divided into short term ‘operational’ and long term ‘strategic’. A short term risk view will continue to be required where we need to manage the delivery of plans, the Corporate Plan for example. These are necessarily short term and relate to a known set of objectives and activities. Our current risk management methods will continue to be effective here.

However, strategic risks such as those envisaged by the Act, are not only long term, but are really ‘community risks’ shared by the population as a whole. The risks from

obesity, an ageing population or climate change for example, need to be managed collectively. They are not within the control of the Council, or even the Public Sector as a whole; the community will be part of the solution as well as part of the problem, hence the importance placed on engagement in the WBFG Act. Engagement in this sense means much more than just asking people what they think, it is about getting them to accept ownership of a risk. Strategic partnerships will be part of this picture too and will also have to adopt a collective model of risk ownership.

Strategic long term risks are complex to understand and to manage - there will need to be a willingness to review policy decisions in the light of changing evidence. What is the right answer now, may not be the right answer in the future. So a focus on the risks to achieving desired outcomes will enable a process of modifying inputs and outputs in the face of changing circumstances.

Managing long term strategic risks will require some new ways of doing things, because longer term inevitably means greater complexity and uncertainty. To define these further:

- 'Complexity' in this sense involves two or more puzzling choices and where the solution can cross disciplines;
- 'Uncertainty' means the inability to predict exactly what will happen and that there will be surprises.
- 'Risk' concerns known outcomes for a given event, which can be assigned probabilities. Normally the decision maker has historical data upon which to estimate those probabilities

However in the case of long term strategic risk, where there is considerable uncertainty, the outcomes are too unsure to be given probabilities. Because the decision maker has no or very limited historical data upon which to estimate probabilities, intelligent guesses are required instead.

Dealing with uncertainty involved in this process will require the use of a 'range' of possibilities within agreed tolerances. For example, we might predict that the proportion of people who are obese in the year 2025 will range from 10% to 45% of the population based on current trend information. Any mitigations or controls we plan to put in place to manage this risk should be tested for effectiveness across the range that we think possible. So, planning to establish an obesity specialist advisor attached to each GP surgery might be helpful at the 10% end of the spectrum, but would be insufficient to deal with a situation where 45% of the population was obese. Other measures would be required.

So, mitigating actions for these complex risks are likely to include a range of options to fit with the range of possible outcomes. This thinking will be supported by scenario planning, where possibilities across a range of interdependent factors are modelled. In the case of the obesity risk used above, lots of things might influence the trend, for example, the imposition of a 'sugar tax' might reduce the uptake of unhealthy sugary drinks. Alternatively (or as well) the closure of leisure facilities might make exercise harder. Scenario planning would attempt to identify this range of possible 'worlds' in the future and help us to think how to manage the risks they appear to present.

Implicit in the new Act is that **all** decision making should be qualified by the time frame that is affected. Does a decision impact the next few weeks (e.g. date of a meeting), the next 10 years (e.g. quality of a new kitchen in a Council House), the next twenty years (e.g. school exam achievement) or 35 years (e.g. a new town, like Bodelwyddan). The weight and consideration we give to risks associated with decisions needs to reflect their impact timescale. Describing risks as things that will affect our Children or our Grandchildren is an effective way to think about it.

We can be confident that our current operational risk process is fit for purpose; the larger task is now to start to develop the tools and techniques that will help us model the future better than we do now. As a Council we are working with partner Authorities to develop a method of impact assessment that will help with this thinking. We are also trialling community based resilience work that is intended to promote both long term thinking and constructive engagement on shared problems (People to People in Llangollen). Further work will develop as we start to use the 5 Sustainable Development Principles.

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

No decision is required here, but the report is intended to support the work of the committee in ensuring that the Council's risk governance is both effective and complies with legislation.

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

There are no immediate costs identified for any Service. However, the requirement to change the way we think about risk will affect all Services.

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

That the report has no Equality Impact implications.

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

n/a

9. Chief Finance Officer Statement

Not required.

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

There is a reputational and regulatory risk for the Council if we fail to meet the requirements of the Well-being of Future Generations Act.

11. Power to make the Decision

No decision is required.

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Well-Being of Future Generations Act Risk
Management
23 03 2016

Equality Impact Assessment

Well-Being of Future Generations Act Risk Management>

Contact: Alan Smith, Business Improvement & Modernisation>

Updated: <08/03/2016>

1. What type of proposal / decision is being assessed?

A new procedure

2. What is the purpose of this proposal / decision, and what change (to staff or the community) will occur as a result of its implementation?

<The purpose of this proposal is to improve the way the Council is able to manage long term strategic risk so that it can comply with the requirements of the WBFG ACT>

3. Does this proposal / decision require an equality impact assessment? If no, please explain why.

*Please note: if the proposal will have an impact on people (staff or the community) then an equality impact assessment **must** be undertaken*

No

The proposal is for discussion purposes only, and is to help the Corporate Governance Committee understand how the Council will need to develop its processes to comply with the WBFG Act.>

4. Please provide a summary of the steps taken, and the information used, to carry out this assessment, including any engagement undertaken

(Please refer to section 1 in the toolkit for guidance)

<Type here>

5. Will this proposal / decision have a positive impact on any of the protected characteristics (age; disability; gender-reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation)?

(Please refer to section 1 in the toolkit for a description of the protected characteristics)

<Please summarise any likely positive impact and identify which protected characteristics will benefit>

6. Will this proposal / decision have a disproportionate negative impact on any of the protected characteristics (age; disability; gender-reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation)?

<Please summarise any disproportionate negative impact and identify which protected characteristics will be affected>

7. Has the proposal / decision been amended to eliminate or reduce any potential disproportionate negative impact? If no, please explain why.

<Please Select>	<If yes, please provide detail>
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8. Have you identified any further actions to address and / or monitor any potential negative impact(s)?

<Please Select>	<If yes please complete the table below. If no, please explain here>
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Action(s)	Owner	By when?
<Please describe>	<Enter Name>	<DD.MM.YY>
<Please describe>	<Enter Name>	<DD.MM.YY>
<Please describe>	<Enter Name>	<DD.MM.YY>
<Please describe>	<Enter Name>	<DD.MM.YY>
<Unrestrict editing to insert additional rows>	<Enter Name>	<DD.MM.YY>

9. Declaration

Every reasonable effort has been made to eliminate or reduce any potential disproportionate impact on people sharing protected characteristics. The actual impact of the proposal / decision will be reviewed at the appropriate stage.

Review Date:	<08/03/2016>
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Name of Lead Officer for Equality Impact Assessment	Date
Alan Smith	<08/03/2016>

Please note you will be required to publish the outcome of the equality impact assessment if you identify a substantial likely impact.

Report To:	Corporate Governance Committee
Date of Meeting:	23 March 2016
Lead Member / Officer:	Ivan Butler – Head of Internal Audit
Report Author:	Ivan Butler – Head of Internal Audit
Title:	Corporate Fleet Management Update

1. What is the report about?

This report provides an update on progress in implementing the action plan that accompanied the Internal Audit report on Corporate Fleet Management in October 2015.

2. What is the reason for making this report?

This report is to provide information on how the Council is implementing improvements in fleet management since the issue of the Internal Audit report in 2015. The audit report gave 'Low Assurance', so the Corporate Governance Committee requested a progress report to ensure that the issues are being addressed.

3. What are the Recommendations?

The Committee to review progress and decide whether it requires a further progress report.

4. Report details

Appendix 1 is the Internal Audit follow up action plan, which shows that good progress is being made with implementing the issues and risks that Internal Audit identified. As this was only an interim follow up audit, we will continue to monitor progress and will issue a formal follow up report next time with a new assurance rating.

Although there are still some actions outstanding, the key issues have already been addressed, such as developing a new Transport Policy that now needs to be approved and issued. Health and safety issues have also been addressed through improving induction procedures, reviewing incident reporting and improving driver licence processes.

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

Not applicable - there is no decision required with this report.

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

Not applicable - there is no decision required with this report.

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

Not applicable - there is no decision required with this report.

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

Not applicable - there is no decision required with this report.

9. Chief Finance Officer Statement

Not applicable - there is no decision required with this report.

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

Not applicable - there is no decision required with this report.

11. Power to make the Decision

Not applicable - there is no decision required with this report.

Action Plan

Audit Follow-up Review of: Corporate Fleet Management

Date: March 2016

Action Plan Contacts:

Jim Espley – Waste & Transport Manager

Chris Brown – Fleet Maintenance Manager

Jason Ballard – Corporate Road Risk Advisor

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

Risk/Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
1. Page 93	The Transport Policy is out of date and was removed from the intranet for this reason. Without effective communication of each driver’s responsibility and acceptable use of Council vehicles, there is a risk that non-compliance is not taken seriously. Communication is needed at all levels of the organisation, supported by the Senior Leadership Team (SLT) to ensure that it is read and applied by all employees.	The Waste & Transport Manager will present the revised Transport Policy at a SLT meeting to promote staff awareness and get senior management buy-in. Waste & Transport Manager – December 2015	In progress The review of the Transport Policy is now complete and the Waste and Transport Manager will request for it to be included on the next SLT meeting agenda. This will be supplemented with a one page summary for SLT to be made aware of key changes. There are also plans for separate Drivers Handbook for drivers to reference to key matters. Revised date April 2016	Transport Policy to be sent to SLT for agreement along with a summary of key changes. Once agreed, roll out to all services and promote awareness with drivers of Council vehicles.

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
2.	<p>Ineffective identification of vehicles reaching the end of their economic life can lead to unnecessary costs e.g. extra maintenance work needed and leasing to replace vehicles that are no longer serviceable.</p>	<p>Lists of vehicles will be reviewed at Fleet & Service Review meetings to identify vehicles that are reaching an end of their economic life. An assessment on the continued use or replacement will be identified and recorded.</p> <p>(Meetings with Street Scene, Building Services, Street Lighting and Housing Services have taken place, with Waste Services, Countryside Services and Social Services left to do).</p> <p>Service users will be trained on how to interpret and use the monthly management information report, which will help them to understand which vehicles are no longer economical to maintain.</p> <p>Waste & Transport Manager / Fleet Performance Manager – January 2016</p>	<p>In progress Service review meetings have been held with the main service users and the Waste & Transport Manager has devised a schedule for other service users.</p> <p>At these meetings, the Waste & Transport Manager will go through the monthly management information report and, if needed, provide support to service managers on its use and interpretation to identify vehicles that are costly to maintain so that they can plan for their replacement where relevant.</p> <p>Revised date April 2016</p>	<p>Service review meetings to be held with all service user representatives and key actions from the meeting captured to ensure that they are progressed.</p>
Page 94	<p>Although it has improved, communication between Fleet Services and service users (and vice versa) is causing avoidable service downtime. Fleet Services has recently started to meet key service user representatives to discuss performance and recurring issues. Periodic meetings should be arranged with all fleet user services, with a set agenda and a record kept of the agreed actions for both parties.</p>	<p>Fleet & Service Review meetings are scheduled, a standard agenda is defined (although additional agenda items can be added), and minutes are now formally recorded.</p> <p>Waste & Transport Manager / Fleet Performance Manager – December 2015</p>	<p>In progress Some service review meetings have been held with key service user representatives and a schedule of future service review meetings has been set to cover all service users.</p> <p>Revised date April 2016</p>	<p>Carry out the schedule of forthcoming meetings with all service user representatives and capture key actions to ensure their implementation can be reviewed at future meetings</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
4.	Few formal agreements are in place with Fleet Services' external customers to protect its cash flow and contractual position by stipulating a cooling off period for ending a maintenance arrangement.	A trigger of £15,000 will be introduced, whereby when an external customer's work exceeds this defined value, a service level agreement will be issued (to include provision for 30-day notice of service break). Fleet Performance Manager - December 2015	No progress to date The Waste & Transport Manager, in discussion with Finance, to set up a mechanism for notifying Fleet Services when a supplier was nearing the threshold. The Principal Finance Officer confirmed that they would not have the necessary information to identify which external customer was nearing the threshold. Revised date April 2016	Fleet Services needs to set up a mechanism to identify when services to external customers hit the agreed threshold, so that a service level agreement can be arranged.
5.	Fleet Services has limited policies and procedures in place to guide consistent practices, support business continuity, and health and safety or fraud investigation. This includes, but is not limited to: <ul style="list-style-type: none"> • guidance for new workshop employees; and • disposal of vehicles i.e. redeployment, available methods for disposal, treatment of proceeds from sales, and capture the reason and approval for the disposal. 	Current policies and procedures in place include: <ul style="list-style-type: none"> • Health and safety - risk assessments, safe working procedures are in place. • Toolbox talks are regularly provided to staff (and recorded). • New employees are inducted via use of the corporate induction form. This will be supplemented by: <ul style="list-style-type: none"> • As part of the induction process, new employees will be required to read health and safety procedures and sign to evidence this. This will incorporate emergency procedures, accident reporting and first aid. • Disposal of vehicles will be incorporated into the Transport Policy (see Risk/Issue 1). Waste & Transport Manager / Fleet Performance Manager / Fleet Maintenance Manager - October 2015	Complete The Corporate Induction Pack is used along with site specific guidance that has been developed. A HSE inspection (December 2015) of the Fleet Depot advised Fleet Services that new starters should be given the necessary Safe Working Procedures to read and then conduct a test to evaluate their understanding to make sure is it sufficient. This will be applied to future new starters, and a record kept. New HGV fitter started in February 2016, so scope to check that records in place as described. Disposal Procedures are included in the recently revised Transport Policy.	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
6.	The Fleetmaster system is a legacy system with limited vendor support and its reporting function is weak. There is an opportunity to streamline the workshop's paper-heavy processes and reduce non-productive time through using a more modern fleet management system.	A business case for a new system will be developed (ICT to be part of any subsequent procurement). Funding streams e.g. Modernisation Board will be investigated to cover the purchase cost. Waste & Transport Manager / Fleet Performance Manager / ICT - April 2016	Not yet due for completion Fleet Services is in discussion with its ICT Business Partner (Rob Douglass) and developing specification for the replacement software. All neighbouring Councils use the same specialist software (i.e. Tranman) and so options and costs are currently being investigated.	
		If agreed, a new fleet management system will be implemented to replace the existing Fleetmaster system. Waste & Transport Manager / Fleet Performance Manager / ICT - April 2017	Not yet due for completion	
Page 96	Although two thirds of the employees that drive a Council vehicle have completed a form (D796) allowing Fleet Services to check their driving licence validity, there is no evidence that managers check driver licences as	As per Risk/Issue 1, the Transport Policy will be updated to clarify roles and responsibilities for carrying out driver licence checks. Waste & Transport Manager - December 2015	Complete Transport Policy & Procedures have been updated to include this requirement. See Risk Issue 1 for further details.	Link to Risk/Issue 1. Once the Transport Policy obtains all necessary approval, it needs to be communicated to all relevant users.

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
Page 97	<p>part of the recruitment and selection process for a post that involves driving. This is necessary to show that the Council only employs individuals who are competent to carry out their roles.</p>	<p>Online driving licence checks will be introduced as part of the recruitment process. All new members of staff will be asked to complete the D796 form at the time of appointment i.e. when other checks are carried out on work references and eligibility to work in the UK. Waste & Transport Manager/Fleet Performance Manager / Head of Legal, HR & Democratic Services – In place (HR process introduced)</p>	<p>In progress HR has a new process whereby it issues forms to successful candidates (positions that require driving a Council vehicle) as part of the recruitment process. Once returned, HR forwards the completed form to Fleet Services. In November 2015, Fleet Services issued the D796 form to all employees who drive a Council vehicle and a majority have returned the completed form (1050 employees approx. 90%). Gaps are mostly Social Services and Education staff that drive Council vehicles. HR has asked Fleet Services to carry out checks on the remainder of Council employees (i.e. those that use their own car on Council business only), whereby HR issues and collect the forms and forwards to Fleet Services for processing. Revised date April 2016</p>	<p>It is clear that the new process is in place and working; however, we will follow up to make sure that all outstanding D796 consent forms are effectively pursued so that all Council fleet drivers can be monitored.</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
8.	Details of incidents and near misses captured in insurance claims are not always reviewed to prevent recurrence. This would help the Council to take action to reduce the risk of such incidents recurring and safeguard the public and employees from potential harm. This issue was raised in our previous audit 2010/11.	<p>As per Risk/Issue 1, the Transport Policy will be updated to include the requirement for drivers of corporate vehicles to report incidents in such a way that it will trigger a review and remedial action where necessary.</p> <p>Waste & Transport Manager - December 2015</p>	<p>Complete The Transport Policy has been updated with details on what to do in the event of an accident i.e. complete an incident form which goes to the Corporate Road Risk Advisor and the Insurance & Risk Manager.</p> <p>It also highlights the need to update the Incident Management Database which prompts a driver performance review by the Corporate Road Risk Advisor to address any poor driving practices.</p>	<p>Link to Risk/ Issue 1. Once approved, the Policy will need to be circulated to raise awareness of all relevant officers.</p>
		<p>Employees and line managers will be reminded that the Incident Management Database (on the intranet) should be completed following an incident involving a Council vehicle. The accident management procedure will be set out at each Fleet & Service Review meeting.</p> <p>Waste & Transport Manager / Services - In place</p>	<p>Complete As above, a prompt is now included in the Transport Policy with a link to the Incident Management Database which is available on the intranet.</p> <p>Service Review Meetings have been scheduled and this will form part of the agenda for the meeting.</p>	
		<p>The Corporate Road Risk Advisor will review insurance claim forms relating to road traffic incidents to ensure that all are captured on the Incident Management Database. If any are missed, Health and Safety will escalate with the relevant line manager and, if it is a recurring problem, the Head of Service.</p> <p>Corporate Road Risk Advisor - October 2015</p>	<p>Complete The Corporate Road Risk Advisor confirmed that he gets the information through the Incident Management Database and puts into action any assessments that need doing, mainly through the respective managers.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
9.	Council vehicles over 12 years of age are not being maintained in line with the VOSA Guide to Maintaining Roadworthiness. This states that vehicles over 12 years of age should have safety checks every 6 weeks, as they are more prone to defects. The Council must notify the Traffic Commissioner if maintenance is done less often, giving the reason.	The Council has spoken with the Traffic Commissioner regarding this point and he is satisfied with the inspection frequency regime currently in place (given the Council's excellent maintenance procedures and records). Fleet Performance Manager – Complete	Complete Verbal confirmation from the Traffic Commissioner that he is satisfied with the Council's current arrangements.	
10.	Fuel management costs recharged to services are not an accurate reflection of the actual costs.	There is a fuel management on-cost of 6%, which does not go to Fleet, it goes to stores. The 6% charge for stores is excessive. A 2% on-cost (1% to fleet, 1% to stores) would be fairer. This will be discussed with Head of Street Scene (who covers Stores). Waste & Transport Manager/ Head of Street Scene/ Chief Finance Officer – November 2015	No further action intended Street Scene Manager informally agreed. The Waste & Transport Manager contacted the Principal Finance & Assets Officer to revise the current method used. A decision was taken to keep the fuel 'oncost' at 6% rather than change it. The 'oncost' only applies to bunkered fuel and it is Street Scene and Waste which are the main users of this. As the 'oncosts' go to stores, if this was taken away, it would just be pushing money round in circles as Street Scene and Waste would have to fund the 6% because stores runs the depots for the Council.	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
11.	<p>The Council spends nearly £1m a year on fuel, yet there is no campaign to promote efficient use e.g. through altering driver style, inflating tyres correctly. Although the information is available through the tracker system and fuel reports, these are not currently sufficient to take effective action to reduce fuel use.</p>	<p>An updated fuel management procedure will be implemented to include:</p> <ul style="list-style-type: none"> • the statement that fuel cards are to be used for business purposes only; and • a requirement to enter accurate odometer readings. Members of staff will have to read and sign the updated issue form before a fuel card or tracker fob is handed over. <p>Fleet Performance Manager – In place</p>	<p>In progress</p> <p>The Transport Policy has been updated to include the requirement for drivers to input accurate odometer readings when collecting fuel to allow accurate MPG readings.</p> <p>Fuel Card Acceptance Forms include a requirement for drivers to enter accurate odometer readings when re-fuelling to allow monitoring of fuel efficiency.</p> <p>The Waste & Transport Manager will emphasise to service users at Service Review Meetings to review MPG data available in their Monthly Management Reports and encourage them to reduce fuel use.</p> <p>Waste & Fleet Services are currently reviewing whether more fuel efficient vehicles can be used e.g. supervisors using small cars instead of pickups, which are less fuel efficient and unnecessary for that journey. There is scope for other services to follow suit.</p>	<p>Link to Risk/Issue 3. Remind service users at Service Review Meetings about the availability of fuel efficiency information within the monthly management reports.</p>
		<p>Investigate potential to introduce driver behaviour equipment in Council vehicles (Building Services and Street Scene) to highlight to drivers audibly when they are driving inefficiently.</p> <p>Waste & Transport Manager/ Fleet Performance Manager – Initial assessment by December 2015.</p>	<p>Complete</p> <p>Waste & Fleet Services have looked into this jointly with Building Services. A verbal response was received from Gwynedd County Council that savings achieved from piloting driver behaviour equipment matched costs to install and therefore justification to proceed is borderline, and less attractive now that fuel prices have declined considerably.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		Contact Gwynedd County Council Fleet Services to gain their feedback on the viability of the system. Waste & Transport Manager/ Fleet Performance Manager – If viable, implement by March 2016	Complete – See above	
12.	No stock checks are carried out to ensure that fuel is accounted for and to aid detection of any loss, waste or theft.	Fleet Services will investigate the cost of installing a fuel tank gauge, which will provide: <ul style="list-style-type: none"> • accurate record of tank contents • accurate reading of fuel deliveries • warnings of any tank leakages If an electronic system is not deemed as financially viable, a manual system will be introduced and a stock check performed periodically. Fleet Performance Manager – Either electronic or manual system in place by December 2015	In progress The Fleet Performance Manager has investigated costs for electronic solutions. The Waste & Fleet Manager prefers a manual system but this has not progressed. Revised date April 2016	Process for carrying out periodic manual stock check of bunkered fuel to be put in place. Internal Audit Note: Stock check needs to be carried out by an independent persons.
13.	Controls over fuel cards needs strengthening to reduce the Council's risk of fuel cards being misused. Fuel Card Acceptance forms should clearly state that fuel purchased using the fuel card is solely for business reasons.	As per Risk/Issue 11, a fuel management procedure will be implemented and all members of staff will be required to sign a declaration that they have read it and agree to its contents. This will be rolled out to new employees and existing employees when fuel cards are renewed. Fleet Performance Manager – In place	Complete The Fuel Card Acceptance Forms have been updated to make it clear that fuel cards are used for business reasons only.	

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Report To: Corporate Governance
Date of Meeting: 23rd March 2016
Lead Member / Officer: Councillor Barbara Smith
Report Author: Catrin Roberts / Andrea Malam
Title: **Whistleblowing Policy**

1. What is the report about?

The Whistleblowing Policy has been reformatted, updated and revised in line with legislation.

2. What is the reason for making this report?

To gain Corporate Governance agreement to recommend this policy to Council for adoption.

3. What are the Recommendations?

That Corporate Governance recommends the above policy to Council for approval.

4. Report details

Whistleblowing Policy

The policy has been updated and reformatted to include clearer roles and responsibilities and the legislative changes. The Enterprise and Regulatory Reform Act (2013) brought about a number of changes which impact on whistleblowing. The three key changes are the following:

- a) Only disclosures made 'in the public interest' are protected. Employees now have to show that they 'reasonably believe' that the disclosure they are making is in the 'public interest.'
- b) The removal of the requirement for disclosures to be made in 'good faith' in order to be protected.
- c) Making employers liable for the acts of employees (such as harassing a colleague who has raised a concern) and making employees personally liable.

Please refer to policy contained within the appendix.

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

The Whistle blowing Policy will assist the Corporate Priorities by helping to modernise the council by ensuring that managers and employees are aware of their obligations in line with legislation and good practice.

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

Additional resources are not required, therefore there won't be any costs attached to implementing this policy. There will be no particular impact on a particular department. This policy will apply to all staff (where stated).

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

Please find the EQiA attached. There are no fundamental issues highlighted with the EQiA's.

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

The policies have all been to Corporate Joint Meeting on Thursday 17th September and Wednesday 4th November for comments and have been emailed to CJM for feedback from the members of CJM who did not attend those meetings and so all members have been given an opportunity to feedback. The Policy went to LJCC on 10th February 2016 and was agreed in principle, however the meeting was not quorate.

9. Chief Finance Officer Statement

Not applicable.

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

The risks are only associated with not implementing the attached policy. The current versions of the policy is very out of date in terms of legislation and we must ensure the policy is being applied correctly and consistently.

11. Power to make the Decision

Not applicable.

WHISTLEBLOWING POLICY

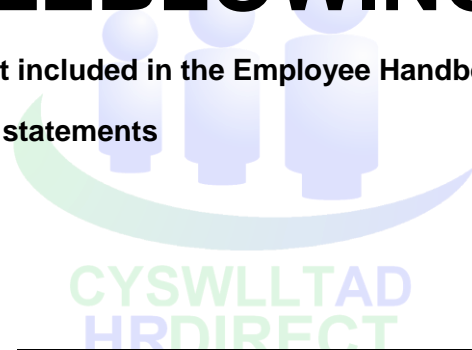
Page 105

This document is subject to the policy statement included in the Employee Handbook

This document is subject to the standard policy statements

This policy has an appeals process applied to it

To view FAQs click [here](#)



Date agreed & Implemented:	
Agreed by:	
Review date:	
Frequency:	

<i>Ver</i>	<i>Status</i>	<i>Date</i>	<i>Reason for Change</i>	<i>Authorised</i>

To provide feedback on this document please click [here](#)

Whistleblowing flowchart

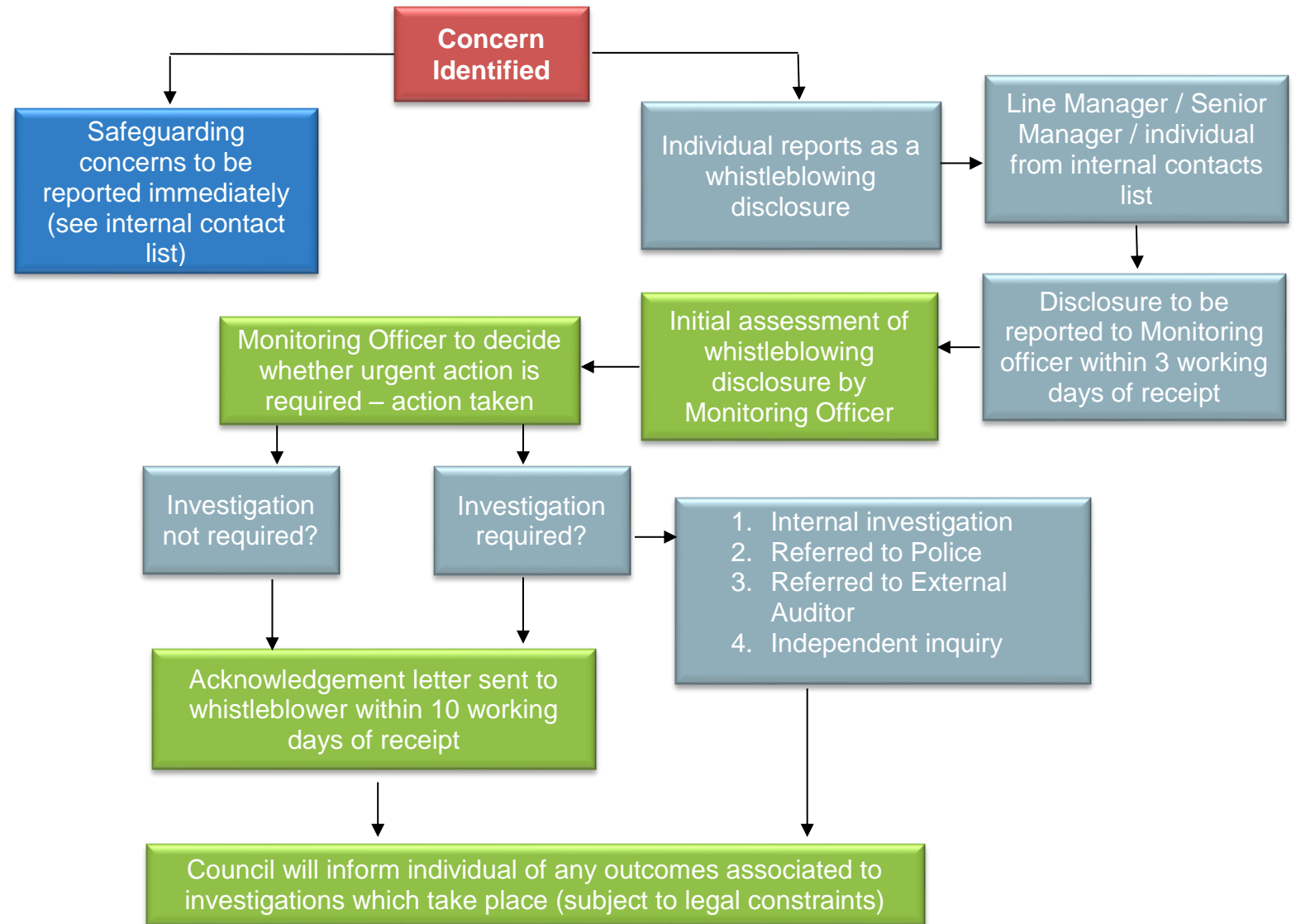
One page whistleblowing overview

- 1. Introduction**
- 2. Aims and scope of the policy**
 - Employment issues
 - Elected members conduct
 - Complaints
 - Other services
- 3. Safeguards**
 - Your legal rights
 - Support to you
- 4. Confidentiality**
- 5. Anonymous disclosures**
- 6. Untrue disclosures**
- 7. How to raise a concern**
- 8. How the council will respond**
- 9. Independent advice**
- 10. Maintenance and operation of policy**
- 11. How the matter can be taken further**
 - Internal contact list
 - External contact list
 - Whistleblowing policy report form
- 12. Additional Information**
- 13. Internal contact list**
- 14. External contact list**

TIMESCALES

The person who you report your concerns under this policy must report them to the Monitoring Officer.	Within 3 working days
You will receive a letter (or information in your preferred format)	Within 10 working days of your concern being raised.

Whistleblowing Process



One page whistleblowing overview

Whistleblowing is for:

- All employees, including contractors, voluntary workers, consultants and those providing services via contract or other agreements.
- Genuine concerns about malpractice or impropriety that you believe to be in the public interest, including but is not limited to fraud, theft, mismanagement, bribery and health and safety failures.

Whistleblowing is not for:

- Raising employment concerns
- Complaints related to bullying, harassment and victimisation issues
- Questioning financial and/or business decisions made by Denbighshire County Council
- Raising issues that have already been addressed under the disciplinary, grievance or other procedures. An individual can however raise a concern about failure to follow these procedures

Who can I contact to blow the whistle?

- Your Line Manager
- A Senior Manager
- Chief Executive, Monitoring Officer, Chief Finance Officer, Head of Internal Audit
- Any person listed in the internal [contacts list](#).

Details on how to raise a concern can be found in [How to raise a concern](#).

Can I keep my identity a secret?

You are encouraged to give your name when making a disclosure. You can make an anonymous disclosure but these will be less credible. Any concern raised will be treated in confidence and every effort will be made not to reveal the whistleblowers identity.

What will happen to me if I blow the whistle?

The council has a duty to protect whistleblowers and to ensure that any concerns can be raised without recrimination or reprisal.

I don't feel that I am able to blow the whistle – how can I get help?

- You can contact Public Concern at Work (PCaW) for free confidential advice about the best way to raise a concern. You can contact PCaW via their website www.pcaw.co.uk

- Speak to your Trade Union representative

ROLES AND RESPONSIBILITIES

HEAD OF SERVICE AND MONITORING OFFICER

- Responsible for overall maintenance and operation of this policy
- Ensuring the policy is followed and implemented.
- Provide advice and guidance on how matters of concern may be pursued.
- Liaise with the Head of Internal Audit to consider the most appropriate method of investigating the matter of concern.
- Maintain record of concerns and outcomes ensuring that concerns have been investigated in accordance with this policy.
- To report to Corporate Governance Committee on the operation of this policy annually.

INTERNAL AUDIT

- Overall responsibility (along with the Monitoring Officer) for the monitoring of the procedures and advising on the application of this policy, maintaining a register, monitoring all whistleblowing concerns and reporting details to relevant stakeholders.

MANAGERS

- Ensure that any concerns are taken seriously and reported to the Monitoring Officer with immediate effect.
- Ensure that all employees are aware of this policy
- Support employees/workers who raise a concern under this policy to ensure that they do not suffer detriment as a result of their action.

HR DIRECT

- Advise on the application of this policy and the support arrangements for employees.

EMPLOYEES AND OTHER WORKERS

- Use this procedure to raise genuine concerns when they believe that to do so is in the public interest.

1. Introduction

People who work for or with the council are often the first to realise that there may be something wrong within the Council. However, they may feel unable to express their concerns because they feel that speaking up would be disloyal to their colleagues, managers or to the council. They may also fear harassment or victimisation. They may be worried about raising such issues or they may want to keep the concerns to themselves, perhaps feeling it's none of their business or that it's only a suspicion. They may decide to say something but find that they have spoken to the wrong person or raised the issue in the wrong way and are not sure what to do next.

The council has introduced this policy to enable you to raise your concerns at an early stage and in the right way. We would rather that you raised the matter when it is just a concern rather than wait for proof.

This policy makes it clear that you can raise your concerns without fear of harassment, victimisation, subsequent discrimination or disadvantage and is intended to encourage and enable people working for or with the council to raise concerns within the Council rather than overlooking a problem or "blowing the whistle" outside. If something is troubling you which you think we should know about or look into, please use this policy.

This policy applies to all:

- Employees of Denbighshire County Council
- Employees of contractors working for the council on council premises, for example, agency staff, builders, drivers
- Those providing services under a contract or other agreement with the council in their own premises, for example care homes
- Voluntary workers working with the council
- Consultants engaged by the council

2. Aims and scope of the policy

This policy aims to:

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

The Whistleblowing Policy is intended to cover concerns other than your employment, where the interests of others or of the council itself are at risk. These include (but are not limited to):

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

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

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

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

This policy does not apply in the following circumstances:

Employment Issues

If you are an employee, there are existing procedures in place to enable you to raise concerns relating to your own employment. Refer to the Grievance policy.

Elected Members Conduct

General concerns relating to the behaviour and/or conduct of elected Members should be raised in accordance with the Member's Code of Conduct.

Complaints

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

Other Services

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

Please note that if you are unsure where the issue falls then speak to the responsible officer.

3. Safeguards – our assurances to you

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

Your legal rights

The Public Interest Disclosure Act (PIDA) (1998) was introduced to protect employees who want to raise a concern about something happening in work in a responsible manner. The Act makes it unlawful for the council to dismiss anyone or allow them to be penalised or victimised on the basis that they have made an appropriate lawful disclosure in accordance with the Act.

The Enterprise and Regulatory Reform Act (2013) brought about a number of changes which impact on whistleblowing. The three key changes are the following:

1. Only disclosures made ‘in the public interest’ are protected. Employees now have to show that they ‘reasonably believe’ that the disclosure they are making is in the ‘public interest.’
2. The removal of the requirement for disclosures to be made in ‘good faith’ in order to be protected.
3. Making employers liable for the acts of employees (such as harassing a colleague who has raised a concern) and making employees personally liable.

Please refer to the below section if you require advice or support on the above.

Support to you

The council recognises that the decision to report a concern can be a difficult one to make. If you believe what you are saying is true, you have nothing to fear because you will be doing your duty to your employer and those for whom you are providing a service. You will not be at risk of losing your job or suffering any form of punishment as a result.

The council will not tolerate discrimination, harassment or victimisation (including informal pressures) and will take appropriate action, including disciplinary action to protect you when you raise a concern ‘in the public interest’.

Any investigations into allegations of potential malpractice raised by you will not influence or be influenced by other procedures such as investigations and hearings under the disciplinary, sickness, capability, redundancy or any other procedures that already affect you or may affect you in the future.

At all times during the raising and investigation of your concerns:

- you will be given full support from Senior Management
- your concerns will be taken seriously
- the council will do all it can to help you throughout the investigation, e.g. provide advocacy services, interpreters etc.

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

4. Confidentiality

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

5. Anonymous disclosures

This policy encourages you to put your name to your disclosure whenever possible.

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

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

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

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

If the Monitoring Officer decides not to pursue an anonymous disclosure he/she will record the reasons for this decision in writing. These decisions will be included in the Monitoring Officer's annual report to Corporate Governance Committee referred to in section 10 below.

6. Untrue disclosures

If you make a disclosure 'in the public interest', but it is not confirmed by the investigation, no action will be taken against you. If, however, you make a disclosure frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

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

7. How to raise a concern

The council wishes to ensure that people who have concerns that should be raised under this policy do so. The paragraphs below give examples of how to raise a concern, but are not compulsory. You should raise your concern with whomever you feel most comfortable raising it.

As a first step, we hope you will feel able to raise concerns with your immediate manager.

In some cases it may be more appropriate to raise concerns with someone more senior or directly with one of the internal contacts listed at the end of this document.

This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that your management is involved you should approach the Chief Executive, the Monitoring Officer, the Chief Finance and Performance Officer or the Head of Internal Audit.

If any information raises concern about harm or potential harm to either children or adults at risk, then these concerns should be reported immediately to the appropriate team. For concerns relating to children contact the Children's Gateway (01824 712200). For concerns relating to adults at risk, contact or the Single Point of Access Team (0300 456 1000).

If you have serious concerns which you feel unable for whatever reason to raise within the council, you should raise the matter with one of the external contact points referred to at the end of this document.

Concerns may be expressed verbally or in writing. If you wish to make a written report you are invited to use the following format:

- The background and history of the concern (giving relevant dates)
- The reason why you are particularly concerned about the situation

If you prefer you may use the Whistleblowing policy report form attached to this document and give this to the person with whom you raise your concern.

The earlier you express your concern the easier it is to take action.

Although you are not expected to prove the truth of an allegation, you will need to demonstrate to the person contacted that there are sufficient grounds for your concern. Advice and guidance on how matters of concern may be pursued can be obtained either from your Head of Service, or the Head of Legal and Democratic Services (Monitoring Officer).

You may invite your trade union professional association representative, a friend, or someone from an advocacy or translation service to be present during any meetings or interviews in connection with the concerns you have raised.

8. How the council will respond

The council will respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.

The person to whom you report your concerns under this policy must, in turn, report them to the Monitoring Officer within three working days.

The Monitoring Officer will liaise with the Head of Internal Audit to consider the most appropriate method of investigating the matters of concern raised by you. Please do not attempt to investigate these matters yourself once they have been raised as this could compromise any subsequent investigation into your concern.

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.

Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.

Where appropriate, the matters raised may:

- be investigated internally by management, internal audit, or through the disciplinary process
- be referred to the Police
- be referred to the External Auditor
- form the subject of an independent inquiry

Within ten working days of a concern being raised, you will receive a letter (or information in your preferred format):

- acknowledging that the concern has been received
- indicating how we propose to deal with the matter
- giving an estimate of how long it will take to provide a final response
- telling you whether any initial enquiries have been made;
- supplying you with information on staff support mechanisms, and
- telling you whether further investigations will take place, and if not, why not.

The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you.

Where any meeting is arranged, off-site if you so wish, you can be accompanied by a Trade Union representative or workplace colleague.

The council will take steps to minimise any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the council will advise you about the procedure and provide you with the necessary support.

The council accepts that you need to be assured that the matter has been properly addressed. You will, subject to legal constraints, receive information about the outcome of any investigations.

Whilst we cannot guarantee that we will respond to all matters in the way that you might wish, we will try to handle the matter fairly, properly and without undue delay. By using this policy, you will help us to achieve this.

9. Independent advice

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

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

You may prefer to speak to your Trade Union to seek advice about how to raise a concern under this policy. The contact details for the trade unions recognised by the council for collective bargaining purposes are contained in the External contact list attached.

10. Maintenance and operation of policy

- The Monitoring Officer (Head of Legal and Democratic Services) has overall responsibility for the maintenance and operation of this policy.
- The Monitoring Officer maintains a record of concerns raised and the outcomes of investigations in a form which does not endanger your confidentiality.
- The person who receives your concerns must report them to the Monitoring Officer in accordance section 8 above.
- The person who receives the report into the investigation of your concerns must report the outcomes to the Monitoring Officer.

- The Monitoring Officer will pursue the outcomes of the investigation if they are not reported promptly in accordance with section 10 above.
- The Monitoring Officer will review all concerns and outcomes on a periodic basis to ensure that they have all been investigated in accordance with this policy.
- The Monitoring Officer will report, in a format that does not compromise confidentiality, at least once a year to the Corporate Governance Committee on the operation of this policy, the outcome of the reviews conducted under section 10 above and any changes in practice introduced as a result of a concern raised under this policy.

11. How the matter will be taken further

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

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

12. Additional information

Grievance raised during other proceedings e.g. disciplinary, redundancy etc

There may be occasions where an employee, who is subject to another procedure, raises a grievance. The way in which this is handled will depend on the facts of each case. An assessment of the facts should take into account how the grievance is related (if at all) to the matter in hand.

Whether or not the grievance and the ongoing case are associated will be determined by the appointed Deciding Officer of the case.

Where the grievance and the other case are related

In exceptional circumstances it may be appropriate to temporarily hold the ongoing proceedings while the grievance matter is investigated further. The aim here is to establish whether the complaint has a material impact on the case and eventual outcome.

Be mindful that other ongoing proceedings should not be delayed unnecessarily.

Where the grievance and the other case are not considered to be related

In such cases it is advised that both cases are dealt with separately and that they run concurrently. The proceedings of the case in question may not be impacted by the grievance raised and should therefore be able to continue as planned.

13. Internal contact list

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

- Chief Executive
- Corporate Director (Economic and Community Ambition)
- Corporate Director (Communities)
- Monitoring Officer, Head of Legal and Democratic Services
- Deputy Monitoring Officer
- Head of Finance and Assets
- Head of Internal Audit
- Chair of Corporate Governance Committee
- Any Head of Service or any local trade union official

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

- Children's and Families Gateway (Children) – 01824 712200
- Single Point of Access (Adults) - 0300 456 1000
- or
- Emergency Duty Team (out of hours) - Tel. No. 0845 0533116

14. External contact list

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

Organisation	Contact Details
Public Services Ombudsman for Wales	0300 790 0203
Wales Audit Office	02920 320500
North Wales Police	101 or 0300 330 0101
Professional Bodies	
The Chartered Institute of Public Finance and Accountancy	020 7543 5600
Regulatory Organisations	
Environment Agency	03708 506 506
Health and Safety Executive	0300 003 1747
Care and Social Services Inspectorate for Wales	0300 7900 126
Equality and Human Rights Commission	0808 800 0082
Citizens Advice Bureau	08444 772020
Recognised Trade Unions	
UNITE	01352 733611
UNISON	0800 0 857 857
GMB	01492 535313

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

Whistleblowing Disclosure Pro-forma

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

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

Name:	
Address:	
Tel No:	Job Title:
Email Address:	Department:
Line Manager:	Workplace:
Nature of disclosure: Please give the background and history of the concern (please give as much information as you can dates, times of incidents, names of others who may have information, names of people involved. Please continue on a separate sheet if necessary)	
The reasons why you are particularly concerned about the situation	
Have you raised this informally with your line manager?	Yes/No (delete as necessary)
If No, why not?	
If yes, what action was taken?	
How would you like this issue to be resolved?	
Are you currently absent from work?	Yes/No (delete as necessary)
Signature:	Date:

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Whistleblowing Policy 18th January 2016

Equality Impact Assessment

Whistleblowing Policy

Contact: Andrea Malam, Recruitment Specialist, HR
Direct
Updated: 18.01.2016

1. What type of proposal / decision is being assessed?

A revised policy

2. What is the purpose of this proposal / decision, and what change (to staff or the community) will occur as a result of its implementation?

The whistleblowing policy has been updated to reflect the legislation changes under the Enterprise and Regulatory Reform Act (2013) and revised in terms of updates and wording used. The policy highlights the roles and responsibilities and includes support to the person who makes the disclosure, in terms of not being victimised, harassed or bullied for making a disclosure. The policy is intended to ensure that the council meets its legislative obligations under the Public Interest Disclosure Act 1998.

3. Does this proposal / decision require an equality impact assessment? If no, please explain why.

*Please note: if the proposal will have an impact on people (staff or the community) then an equality impact assessment **must** be undertaken*

Yes	
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4. Please provide a summary of the steps taken, and the information used, to carry out this assessment, including any engagement undertaken

(Please refer to section 1 in the toolkit for guidance)

The revised policy has been finalised with the input of HR, Monitoring Officer and Internal Audit. The policy has been through consultation with the recognised Trade Unions as per the usual process. Legislative changes have been made clear in the policy and information gathered via PCAW has been included.
--

- 5. Will this proposal / decision have a positive impact on any of the protected characteristics (age; disability; gender-reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation)?**
(Please refer to section 1 in the toolkit for a description of the protected characteristics)

This policy will have a neutral impact on all protected characteristics as it will apply equally to all individuals.

- 6. Will this proposal / decision have a disproportionate negative impact on any of the protected characteristics (age; disability; gender-reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation)?**

This policy will not have a negative impact as it is a neutral policy and no protected characteristic will suffer a detriment.

- 7. Has the proposal / decision been amended to eliminate or reduce any potential disproportionate negative impact? If no, please explain why.**

No	The policy is neutral and therefore no amendments need to be made.
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- 8. Have you identified any further actions to address and / or monitor any potential negative impact(s)?**

No	
----	--

Action(s)	Owner	By when?
<Please describe>	<Enter Name>	<DD.MM.YY>
<Please describe>	<Enter Name>	<DD.MM.YY>
<Please describe>	<Enter Name>	<DD.MM.YY>
<Please describe>	<Enter Name>	<DD.MM.YY>
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9. Declaration

Every reasonable effort has been made to eliminate or reduce any potential disproportionate impact on people sharing protected characteristics. The actual impact of the proposal / decision will be reviewed at the appropriate stage.

Review Date:	18.01.2017
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Name of Lead Officer for Equality Impact Assessment	Date
Andrea Malam	18.01.2016

Report To: Corporate Governance Committee

Date of Meeting: 23rd March 2016

Lead Member / Officer: Councillor Julian Thompson-Hill

Report Author: Richard Weigh, Chief Finance Officer

Title: 2016 Audit Plan Denbighshire County Council

1. What is the report about?

A report entitled '2016 Audit Plan – Denbighshire County Council' has been prepared by the Wales Audit Office (WAO) and is attached. The report sets out the planned programme of work for both the WAO's financial audit performance audit programme. The report also matters such as the fee for the work, details in respect of the audit team and the timetable for the work.

2. What is the reason for making this report?

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

3. What are the Recommendations?

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

4. Report details

The WAO report provides the Council with an outline of the financial audit and performance audit work programme. The financial audit programme covers their work in respect of the 2015-16 financial statements. It also provides information on the audit approach including the key audit risks that have been identified during the initial planning process and the actions proposed to address them. The financial audit work on these risk areas will be used to inform the audit opinion on the financial statements.

The performance audit work programme covers their work in respect of the Local Government Measure. Both financial and performance audit work also reviews the arrangements put in place by the Council to secure economy, efficiency and effectiveness in its use of resources.

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

The audit service is a statutory provision. The Appointed Auditor, under the Public Audit (Wales) Act 2004 as amended by the Public Audit (Wales) Act

2013, is required to examine and certify the financial statements of the Council. The Appointed Auditor is also required to satisfy himself that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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

The fees for work undertaken by the WAO in respect of the financial and performance audit work programme are included in the report.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?

Not applicable to the recommendations of this report.

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

The broad content of the report has been discussed with the Chief Finance Officer and senior members of the Finance Department.

9. Chief Finance Officer Statement

The annual audit is a statutory provision. The fees are an existing budget commitment for the authority.

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

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

11. Power to make the Decision

Section 151 of the Local Government Act 1972 requires that the council has proper financial management arrangements in place. The Appointed Auditor is required by the Public Audit (Wales) Act 2004 (as amended by the Public Audit (Wales) Act 2013) to examine and certify the accounts of the council and must be satisfied that the accounts have been completed in compliance with the Accounts and Audit (Wales) Regulations 2005.



2016 Audit Plan

Denbighshire County Council

Audit year: 2015-16

Issued: March 2016

Document reference: 213A2016

Status of document

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.

No responsibility is taken by the Auditor General or the staff of the Wales Audit Office in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at info.officer@audit.wales.

This document was produced by Anthony Veale, Michelle Phoenix and Gwilym Bury.

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2016 Audit Plan

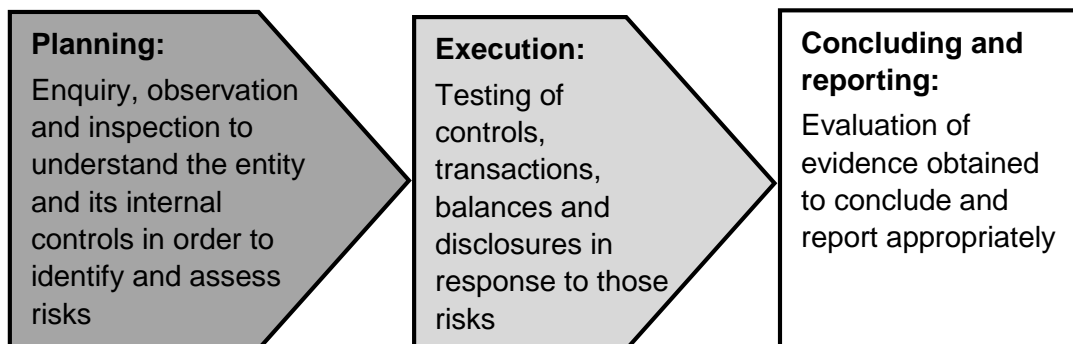
Summary

1. As your external auditor, my objective is to carry out an audit which discharges my statutory duties as Auditor General and fulfils my obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009 (the Measure), the Local Government Act 1999, and the Code of Audit Practice, namely to:
 - examine and certify whether your financial statements are ‘true and fair’;
 - assess whether you have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources;
 - audit and assess whether you have discharged duties and met requirements of the Measure; and
 - undertake studies to enable me to make recommendations for improving economy, efficiency and effectiveness or for improving financial or other management arrangements.
2. The purpose of this plan is to set out my proposed work, when it will be undertaken, how much it will cost and who will undertake it.
3. There have been no limitations imposed on me in planning the scope of this audit.
4. My responsibilities, along with those of management and those charged with governance, are set out in [Appendix 1](#).

Financial audit

5. It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on their ‘truth and fairness’.
6. I also consider whether or not Denbighshire County Council (the Council) has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if the Annual Governance Statement does not comply with requirements.
7. [Appendix 1](#) sets out my responsibilities in full.
8. The audit work I undertake to fulfil my responsibilities responds to my assessment of risks. This understanding allows me to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the financial statements as a whole. My audit approach consists of three phases as set out in [Exhibit 1](#).

Exhibit 1: My audit approach



9. The risks of material misstatement which I consider to be significant and which therefore require special audit consideration, are set out in **Exhibit 2** along with the work I intend to undertake to address them.

Exhibit 2: Financial audit risks

Financial audit risk	Proposed audit response
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 [ISA 240.31-33].	My audit team will: <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
There is a risk of material misstatement due to fraud in revenue recognition and as such this is treated as a significant risk [ISA 240.26-27].	We will review the design and operation of controls and undertake substantive testing relating to: <ul style="list-style-type: none"> • treasury management; • grant income; and • other income sources.
Risk of material misstatement in the financial statements arising from the accounting treatment of fixed assets, including revaluations undertaken in the year.	We will assess the revaluation to give us assurance that it has been conducted in line with accounting policies and that the transactions, in material respects, are accurately reflected in the financial statements.
We have identified two significant transactions undertaken during the year originating from the re-purchase of the PFI scheme and the Council's exit from the Housing Revenue Account Subsidy arrangement with the Welsh Government.	We will review the accounting arrangements of both transactions and ensure that the transactions and any balances have been correctly accounted and disclosed within the financial statements.

Financial audit risk	Proposed audit response
<p>The preparation of the Statement of Accounts will involve the estimation of a number of account figures such as provisions for the Council's liabilities.</p>	<p>We will review:</p> <ul style="list-style-type: none"> the annual assessment made by officers of the basis on which estimates are made and revised in line with the latest information; and documentation held to support estimates derived and judgements made, and refer to papers provided in support of them. <p>We will also ensure that appropriate accounting and disclosure requirements are included within the financial statements.</p>
<p>We have identified a number of disclosures as being material by nature. These include the disclosure of Related Parties and the Remuneration note.</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>Risk of material misstatement in the financial statements arising from error or omission of transactions, balances and disclosure.</p>	<p>On receipt of the 2015-16 draft financial statements in June 2016, we will undertake a review of the statements and update our risk assessment accordingly.</p> <p>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>

10. I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes, but adopt a concept of materiality. My aim is to identify material misstatements, 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.
11. For reporting purposes, I 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 I will not report them.
12. My fees are based on the following assumptions:
 - information provided to support the financial statements is timely, to the quality expected and has been subject to quality assurance review;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - 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's planned programme of work is complete and management has responded to issues that may have affected the financial statements.

-
13. In addition to my responsibilities in respect of the audit of the Council'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.
 14. It should be noted that for 2015-16, the Welsh Government is in the process of setting revised thresholds to determine whether an audited body's Whole of Government Accounts return is subject to audit. We will review the revised thresholds with officers and assess whether an audit certificate is required.

Certification of grant claims and returns

15. I have been requested to undertake certification work on the Council's grant claims and returns. In 2015-16, I expect to audit between 12 and 15 claims, a number of which are complex, namely the Housing Benefits Subsidy claim.
16. My audit fee for this work is set out in [Exhibit 5](#).

Overall issues identified

17. [Exhibit 3](#) summarises the more significant and/or recurring issues I identified when undertaking grant certification work in 2014-15.

Exhibit 3: Overall issues relating to grant claim and return certification

Qualified grant claims and returns qualified in 2014-15

In 2014-15, we audited 14 claims and returns, of which three were qualified. The key issues resulting in qualifications were:

- apportionment of grant funding;
- approval of virements exceeding 10% of the allocation; and
- compliance with the Council's contract tender procedure rules.

Effectiveness of grant coordination arrangements

Whilst there is no central grant co-ordination arrangement within the Council, the delegated arrangements for the preparation and certification of claims and returns are generally well managed and working effectively.

Issues related to specific grant claims and returns

18. In addition to the overall issues identified above, I issued a separate report, 'Certification of Grants and Returns 2014-15' in March 2016, which set out the key issues I have identified relating to individual grant claims and returns.

Other work undertaken

19. I am also responsible for the independent examination of the Joint Committees in respect of the Area of Outstanding Natural Beauty (AONB) for which the Council is the lead authority.
20. My audit fee for this work is set out in [Exhibit 5](#).
21. We understand that the Council is in the process of applying to become a harbour authority under statute. Once constituted, a stand-alone annual statement of accounts relating solely to harbour activities, drawn from the local authority's accounting records, is required. The statement of accounts will either require an independent examination or audit. We are in discussion with officers in respect of when the harbour status will commence. A separate audit fee will be required for this work.

Performance audit

22. The components of my performance audit work are shown in [Exhibit 4](#) and have been designed in order to help deliver the high-level objectives set out in our 2013-2016 corporate strategy (www.audit.wales/publication/wales-audit-office-corporate-strategy-2013-2016).

[Exhibit 4: Components of my performance audit work](#)



23. Local government in Wales is going through an unprecedented period of change. Austerity continues to bite, audited bodies will be required to adopt the principle of sustainable development from April 2016, and the draft Local Government (Wales) Bill proposes fewer councils and a renewed performance framework. The Minister for Public Services has publicly stated that he would like to see a refreshed audit regime in advance of the legislative timetable with a view to supporting change. In January this year the minister advised me of a substantial reduction in the grant that subsidises my local government performance audit work under the Measure.

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24. However, for 2016-17 the Measure will still be in place, and I will still need to examine whether authorities will meet their duty to make arrangements for continuous improvement. The challenge for me in these uncertain times is to balance my existing, new and proposed statutory duties with the need to continue to undertake meaningful, risk-based and proportionate audits and assessments.
25. In spring 2016 I will be engaging in a consultation with public service bodies on how I can best discharge my various duties, whilst striking the most appropriate balance and adding value by:
- providing assurance on the governance and stewardship of public money and assets;
 - offering insight on the extent to which resources are used wisely in meeting people's needs; and
 - identifying and promoting ways by which the provision of public services may be improved.
26. Taking all these factors into consideration, I am presently unable to be specific about my programme of performance audit work in local government. I am working through the practicalities of designing an appropriate programme of work, and examining the implications of the reduction in grant funding with a view to ensuring, as far as I am able, that there is little adverse impact on local authorities through fees.
27. As soon as practical, I will write to confirm my 2016-17 programme of work.
28. The performance audit projects included in last year's Audit Plan, which are either still underway or which have been substituted for alternative projects in agreement with you, are set out in [Appendix 2](#).

Fee, audit team and timetable

Fee

29. The Wales Audit Office does not generate profits on fees. Legislation requires that the fees charged may not exceed the full cost of exercising the function to which the fee relates. The fee rates are set at a level to recover that full cost. My fee rates have been held static for 2016 and my audit teams will continue to look for efficiencies in their audits and welcome working with you constructively on this.
30. Your estimated fee for 2016 is set out in [Exhibit 5](#).

Exhibit 5: Audit fee

Audit area	Proposed fee (£) ¹	Actual fee last year (£)
Financial audit work ¹	178,264	178,264
Performance audit work: ² Improvement audit and assessment work and follow-up*	93,882	93,882
Total fee	272,146	272,146
Grant certification work ⁴	65,000 to 70,000	71,542
Other financial audit work ³	1,134	1,134

Notes:

* In light of paragraphs 22 to 26, this is an indicative fee.

¹ Payable November 2015 to October 2016.

² Payable April 2016 to March 2017.

³ Payable November 2015 to October 2016 (audit work in respect of the AONB Joint Committee)

⁴ Payable as work is undertaken.

31. 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 Council.
32. Further information on my fee scales and fee setting can be found on the Wales Audit Office website at: www.audit.wales/about-us/fee-scales-and-fee-setting.

Audit team

33. The main members of my team, together with their contact details, are summarised in Exhibit 6.

Exhibit 6: My team

Name	Role	Contact number	E-mail address
Anthony Veale	Engagement Director	02920 320585	Anthony.veale@audit.wales
Jane Holownia	Engagement Lead – Performance Audit	02920 320500	Jane.holownia@audit.wales

¹ The fees shown in this document are exclusive of VAT, which is no longer charged to you.

Name	Role	Contact number	E-mail address
Michelle Phoenix	Financial Audit Manager	07966 073281	Michelle.phoenix@audit.wales
Gareth Evans	Financial Audit Team Leader	02920 320500	Gareth.evans@audit.wales
Gwilym Bury	Performance Audit Lead	02920 320500	Gwilym.bury@audit.wales

34. I can confirm that my team members are all independent of the Council and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

Timetable

35. I will provide reports, or other outputs as agreed, to the Council 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
2016 Audit Plan	November 2015 – January 2016	March 2016
Financial accounts work: <ul style="list-style-type: none"> Audit of Financial Statements Report Opinion on Financial Statements 	February – September 2016	September 2016 September 2016
Performance work: <ul style="list-style-type: none"> Local Performance work Annual Improvement Report 	May 2016 to March 2017 May to November 2016	On completion of the projects in consultation with the Council March 2017
2017 Audit Plan	October – December 2017	January 2017

* Subject to timely clearance of draft findings with the Council.

Future developments to my audit work

36. The Well-being of Future Generations (Wales) Act 2015 (the Act) requires me to have undertaken an examination in each of the public bodies specified within the Act and to have provided a report to the National Assembly, by 2020.
37. As referred to in [paragraph 25](#), I will be consulting on my proposed response to the Act in spring 2016. This consultation will feature a commitment to engage and work collaboratively with public bodies in developing an audit approach which is rigorous, meaningful and proportionate. I propose using 2016-17 as a transition year during which my teams work with a limited number of public bodies to develop and test my approach.
38. As we confirm our audit approaches and respond to continuing consultation from the Welsh Government, we will be talking to audited bodies about the implications for their fees from 2017-18 onwards and will be exploring alternative funding models with the next National Assembly's Finance Committee.

Appendix 1

Respective responsibilities

Financial audit

As amended by the Public Audit (Wales) Act 2013, the Public Audit (Wales) Act 2004 sets out my powers and duties to undertake your financial audit. It is my responsibility to issue a certificate and report on the financial statements which includes an opinion on:

- Their 'truth and fairness', providing assurance that they:
 - are free from material misstatement, whether caused by fraud or error;
 - comply with the statutory and other applicable requirements; and
 - comply with all relevant requirements for accounting presentation and disclosure.
- The consistency of information in the Annual Report with the financial statements.

I must also state by exception if the Annual Governance Statement does not comply with requirements, if proper accounting records have not been kept, if disclosures required for remuneration and other transactions have not been made or if I have not received all the information and explanations I require.

The Public Audit (Wales) Act 2004 requires me to assess whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources. To achieve this, I consider:

- 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 other work carried out 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.

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. I must also consider whether in the public interest, I should make a report on any matter which comes to my notice in the course of the audit.

My audit work does not relieve management and those charged with governance of their responsibilities which include:

- the preparation of the financial statements and Annual Report in accordance with applicable accounting standards and guidance;
- the keeping of proper accounting records;
- ensuring the regularity of financial transactions; and

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- securing value for money in the use of resources.

Management agrees to provide me with:

- access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- additional information that I may request from management for the purpose of the audit; and
- unrestricted access to persons within the Council from whom I determine it necessary to obtain audit evidence.

Management will need to provide me with written representations to confirm:

- that it has fulfilled its responsibilities for the preparation of the financial statements;
- that all transactions have been recorded and are reflected in the financial statements;
- the completeness of the information provided to me for the purposes of the audit; and
- to support other audit evidence relevant to the financial statements or specific assertions in the financial statements if I deem it necessary or if required by ISAs.

Performance audit

The Measure places a general duty on improvement authorities to 'make arrangements to secure continuous improvement in the exercise of their functions'. It also places specific requirements on authorities to set improvement objectives, and to publish annual improvement plans and assessments of performance. Improvement authorities are defined as county and county borough councils, national park authorities, and fire and rescue authorities.

The Measure also requires me to carry out an improvement assessment for each improvement authority every year, to determine whether the authority is likely to comply with its general duty and requirements of the Measure. The Auditor General must also carry out an audit of whether the authority has discharged its improvement planning and reporting duties.

The Auditor General may also in some circumstances carry out special inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22). The Auditor General will summarise audit and assessment reports in his published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

Appendix 2

Performance work in last year's audit outline still in progress

Performance audit project	Status	Comment
The strategic approach of councils to income generation and charging for services.	Fieldwork completed	National Report to be published Summer 2016.
The effectiveness of local community partnerships.	Fieldwork completed and national report being drafted.	National Report to be published Summer 2016.
Council funding of third sector services.	Fieldwork started but not completed on all sites.	National Report to be published Summer 2016.

Appendix 3

National value-for-money studies

The Council may also be interested in the national value-for-money examinations which I undertake, some of which will be of particular relevance to, and may involve evidence gathering across, local government. These studies are funded by the National Assembly. Reports are presented to the National Assembly's Public Accounts Committee to support its scrutiny of public expenditure and potentially support scrutiny by other National Assembly committees.

The table below covers all of the value-for-money studies work currently programmed. The programme includes all-Wales summaries of audit work undertaken locally in the NHS and reactive examinations into specific issues of public concern that have been raised with me. In addition to the work outlined below, I may decide during the year to prepare other national reports summarising local audit work or based on the findings of reactive examinations.

Further updates on my programme of value-for-money studies will be provided to you within the regular progress reports prepared by my team.

Topic	Anticipated publication timeframe
Welsh Government acquisition and ownership of Cardiff Airport	January 2016
The development of Natural Resources Wales	February 2016
Operating theatres	February 2016
Impact of private practice on NHS provision	February 2016
Wales Life Sciences Investment Fund	March 2016
Welsh Government responses to audit recommendations (memorandum for the Public Accounts Committee)	Spring 2016
Coastal flood and erosion risk management	Spring 2016
Rail services	Spring 2016
Governance of the National Library of Wales	Spring 2016
Welsh Government oversight of further education institutions' finances and delivery	Autumn 2016
Public procurement (including development of the National Procurement Service)	Winter 2016

Topic	Anticipated publication timeframe
Early intervention and behaviour change	Spring/summer 2017 ²
Welsh Government interventions in local government	TBC ³

I have been considering over recent months the inclusion in my programme of a number of new studies on:

- The NHS Wales Informatics Service
- Capital investment in schools (21st Century schools programme) and school places
- Further education finances
- Waste management
- The Supporting People programme
- Access to public services for people whose first language may not be English or Welsh and those who may be disadvantaged without access to specialist interpretation services

With the exception of the further education study, referred to in the table above, firm plans for these new studies are yet to be confirmed, although initial scoping work is underway.

² My programme of good practice work includes a project that will aim to explore the range of behaviour change work across Welsh public services and opportunities to improve practice, deliver better outcomes for citizens, and achieve better value for money. The project will include a range of engagement events and the development of a community of practice to share learning and experience. I anticipate that the information and evidence gathered through this work will support the production of a report on this topic, although this is unlikely to be a traditional audit report and it would not be prepared until the first half of 2017.

³ Plans for this work have been under review in light of the Welsh Government commissioned review of the Anglesey intervention by the Public Policy Institute for Wales, and also to consider the implications for the work of plans for local government reform.

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Corporate Governance Committee Forward Work Programme

27 Apr 2016		Standing Items	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator / Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance / Alan Smith, Keith Amos
	3	Internal Audit Progress Report	Head of Internal Audit / Ivan Butler, Cllr Julian Thompson-Hill
	4	Feedback on Corporate Equality Meeting – verbal	
	5	Forward Work Programme	
		Reports	
	6	Budget Process 2016/17	Chief Finance Officer / Richard Weigh
	7	Internal Audit Annual Report	Head of Internal Audit / Ivan Butler
	8	Internal Audit Annual Assurance Plan 2015/16	Head of Internal Audit / Ivan Butler
Page 149	9	Governance Improvement Plan and Draft Annual Governance Statement 2015/16	Head of Internal Audit / Ivan Butler
	10	Annual Financial Audit Outline of Accounts and Notification of the Certification of Accounts	Chief Finance Officer / Richard Weigh
	11	Annual Improvement Report - Update	Head of Business, Planning and Performance / Alan Smith
	12	Treasury Management Report – Audit Review	Head of Internal Audit / Ivan Butler
	13	Constitution Report	Head of Legal, HR and Democratic Services / Gary Williams
	14	Coastal Defence Project	Head of Internal Audit / Ivan Butler
	15	Test of Assurance – Education and Children’s Services	Corporate Director: Communities
15 June 2016		Standing Items	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator / Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance / Alan Smith, Keith Amos
	3	Internal Audit Progress Report	Head of Internal Audit / Ivan Butler, Cllr Julian Thompson-Hill

Corporate Governance Committee Forward Work Programme

	4	Feedback on Corporate Equality Meeting – verbal	
	5	Forward Work Programme	
		Reports	
	6	Budget Process	Chief Finance Officer / Richard Weigh
13 July 2016		Standing Items	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator / Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance / Alan Smith, Keith Amos
	3	Internal Audit Progress Report	Head of Internal Audit / Ivan Butler, Cllr Julian Thompson-Hill
Page 150	4	Feedback on Corporate Equality Meeting – verbal	
	5	Forward Work Programme	
		Reports	
	6	Budget Process 2016/17	Chief Finance Officer / Richard Weigh
	7	Child Practice Review	Head of Children and Family Services / Leighton Rees
	8	Draft Statement of Accounts	Chief Finance Officer / Richard Weigh
	9	WAO Annual Improvement Report 2015/16	Wales Audit Office
21 Sep 2016		Standing Items	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator / Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance / Alan Smith, Keith Amos
	3	Internal Audit Progress Report	Head of Internal Audit / Ivan Butler, Cllr Julian Thompson-Hill
	4	Feedback on Corporate Equality Meeting – verbal	
	5	Forward Work Programme	

Corporate Governance Committee Forward Work Programme

		Reports	
	6	Budget Process 2016/17	Chief Finance Officer / Richard Weigh
	7	Ysgol Mair Rhyl – Internal Audit Report Update	Head of Internal Audit / Ivan Butler
	8	Treasury Management Annual Report (Training Session 30 Minutes Prior to Meeting – Include details of implementation of REPOs) (Invite All Members)	Chief Finance Officer / Richard Weigh

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