

To: Members of the Corporate  
Governance Committee

Date: 22 November 2017

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Dear Councillor

You are invited to attend a meeting of the **CORPORATE GOVERNANCE COMMITTEE** to be held at **9.30 am** on **WEDNESDAY, 29 NOVEMBER 2017** in **CONFERENCE ROOM 1A, COUNTY HALL, RUTHIN.**

Yours sincerely

G. Williams  
Head of Legal, HR and Democratic Services

## **AGENDA**

### **1 APOLOGIES**

### **2 DECLARATIONS OF INTEREST (Pages 5 - 6)**

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 7 - 14)**

To receive the minutes of the Corporate Governance Committee meeting held on 27 September 2017 (copy enclosed).

### **5 SCHOOLS IN FINANCIAL DIFFICULTY (Pages 15 - 60)**

To consider a report by the Head of Finance and Head of education (copy enclosed) to explain the council's policy and approach to working with schools in financial difficulty.

**6 INFORMATION MANAGEMENT AND IT MANAGEMENT IN SCHOOLS**  
(Pages 61 - 64)

To consider a update report by the Head of Education and the Principal Education Manager (copy enclosed) to provide information on how the Council is implementing improvements in the way schools are managing information since the issue of the Internal Audit report that gave a Low Assurance.

**7 ANNUAL RIPA (REGULATION OF INVESTIGATORY POWERS ACT 2000) REPORT** (Pages 65 - 68)

To consider an information report by the Deputy Monitoring Officer (copy enclosed) on the Council's use of its powers of surveillance under RIPA (Regulation of Investigatory Powers Act 2000).

**8 ANNUAL WHISTLE BLOWING REPORT** (Pages 69 - 70)

To consider a report by the Head of Legal, HR and Democratic Services (copy enclosed) to inform Members of activities in respect of the Whistleblowing Policy.

**9 INTERNAL AUDIT PROGRESS REPORT** (Pages 71 - 88)

To consider a report by the Chief Internal Auditor (copy enclosed) updating members on Internal Audit progress.

**10 ANNUAL GOVERNANCE STATEMENT - ACTION PLAN UPDATE** (Pages 89 - 92)

To consider a report by the Chief Internal Auditor (copy enclosed) which provides information on how the Council is implementing improvements in governance arrangements since the issue of the Annual Governance Statement in July 2017.

**11 INTERNAL AUDIT SELF-ASSESSMENT STANDARDS** (Pages 93 - 96)

To consider a report by the Chief Internal Auditor (copy enclosed) which provides the result of the internal audit self-assessment against the Public Sector Internal Audit Standards.

**12 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME** (Pages 97 - 100)

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

## **MEMBERSHIP**

### **Councillors**

Mabon ap Gwynfor  
Tony Flynn  
Martyn Holland

Alan James  
Barry Mellor  
Joe Welch

### **Lay Member**

Paul Whitham

### **COPIES TO:**

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## LOCAL GOVERNMENT ACT 2000

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### Code of Conduct for Members

### DISCLOSURE AND REGISTRATION OF INTERESTS

I, ( <i>name</i> )	<input type="text"/>
a *member/co-opted member of <i>(*please delete as appropriate)</i>	<b>Denbighshire County Council</b>
<b>CONFIRM</b> that I have declared a <b>*personal / personal and prejudicial</b> interest not previously declared in accordance with the provisions of Part III of the Council's Code of Conduct for Members, in respect of the following:- <i>(*please delete as appropriate)</i>	
Date of Disclosure:	<input type="text"/>
Committee ( <i>please specify</i> ):	<input type="text"/>
Agenda Item No.	<input type="text"/>
Subject Matter:	<input type="text"/>
Nature of Interest: <i>(See the note below)*</i>	<input type="text"/>
Signed	<input type="text"/>
Date	<input type="text"/>

\*Note: Please provide sufficient detail e.g. 'I am the owner of land adjacent to the application for planning permission made by Mr Jones', or 'My husband / wife is an employee of the company which has made an application for financial assistance'.

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## **CORPORATE GOVERNANCE COMMITTEE**

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 27 September 2017 at 9.30 am.

### **PRESENT**

Councillors Mabon ap Gwynfor, Tony Flynn, Martyn Holland (Vice-Chair), Barry Mellor (Chair) and Joe Welch

Lead Members- Councillor Bobby Feeley and Councillor Julian Thompson-Hill

### **ALSO PRESENT**

Legal Services Manager (LJ), Head of Finance (RW), Chief Accountant (SG), Chief Internal Auditor (LL), Internal Auditor (SD), Head of Business Improvement & Modernisation (AS), Head of Community Support Services (PG), Head of Highways and Environmental Services (TW), Project Manager (EP), Works Unit Manager (AC) and Committee Administrator (SJ).

Wales Audit Office Representatives – Anthony Veale, Gareth Evans and Gwilym Bury.

#### **1 APOLOGIES**

Apologies for absence were received from Councillors Alan James

#### **2 DECLARATION OF INTERESTS**

No declarations of interest.

#### **3 URGENT MATTERS**

No urgent matters were raised.

#### **4 MINUTES**

The minutes of the Corporate Governance Committee held on the 27 July 2017.

Matters arising:

Annual SIRO report: Mr P Whitham questioned when the formal policy on staff removing client information out of the office was likely to be completed. In response to the question officers stated that the policy is currently being created with the hopes for implementation April 2018.

Fleet Management: in response to a question raised by Mr P Whitham, the officers confirmed an update report would be presented to Corporate Governance Committee in January 2018.

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

## **5 AUDIT ENQUIRIES 2016/17**

The Head of Finance introduced the Audit Enquiries 2016/17 report (previously circulated) to inform Members of the Council's response.

Wales Audit Office (WAO), as DCC's appointed external auditors, had a duty to obtain evidence of how management and those charged with governance (Corporate Governance Committee) were discharging their responsibilities for preventing and detecting fraud.

The details of the responses of both management (Head of Finance) and Corporate Governance Committee (Chair of Committee) were set out as an Appendix to the report.

In summary the responses set out the Council's approach to the following areas of governance:

- Management processes in place to identify and mitigate against the risk of fraud.
- Awareness of any actual or alleged instances of fraud.
- Processes to gain assurance that all relevant laws and regulations have been complied with.
- Whether there is any potential litigation or claims that would affect the financial statements.
- Processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The WAO representative Anthony Veale, explained the responsibility of WAO to ask questions and report to Corporate Governance. He confirmed that WAO had no issues with any of the responses.

The Chair of the committee thanked both the Finance department and WAO for the work they had done.

**RESOLVED**, that the Chair of the Corporate Governance Committee formally confirmed the responses included in Appendix 1 to the report.

## **6 APPROVAL OF STATEMENT OF ACCOUNTS**

The Chief Accountant, introduced the Approval of statement of Accounts 2016/17 report (previously circulated) to be formally approved by elected members on behalf of the council.

The council had a statutory duty to produce a statement of accounts that complied with approved accounting standards.

The financial statements for 2016/17 were approved, subject to audit, by the Head of Finance on 13 June 2017. The draft accounts were presented to Corporate



Governance Committee on 19 July 2017 and open to public inspection from 10 July to 4 August.

The Chief Accountant informed members that work was ongoing in relation to the Asset Register. The finance team had done some market research into an alternative ledger system. Councillor Martyn Holland welcomed the work that had been done in relation to asset management and concluded that a system that works well would be beneficial.

The Wales Audit Office (WAO) had worked closely with the Finance team to ensure the timely and successful finalisation of the audit. The WAO representative Anthony Veale introduced the Wales Audit Office - Audit of Financial Statements Report. He informed members of the process and timescale involved in producing the reports and praised the work done by the Finance department and WAO to complete all audits before deadlines.

General discussion took place and Councillor Mabon ap Gwynfor asked for further explanation in to the table provided in relation to reserves and the decreases seen over the last 12 months. The Head of Finance explained to members that the table showed the movement in reserves throughout the year and that a reduction in reserves was not negative. The Chief Accountant informed members that meetings within departments to discuss reserves and balances happened to ensure a robust method for the use of reserves was adhered to. A report on Council reserves was produced for each Cabinet meeting which detailed the use of reserves and asked for Cabinet member's decision as to the use and allocation of reserves.

The Chair expressed appreciation on behalf of the Committee for the work undertaken by the Finance Officers and the Wales Audit Office.

**RESOLVED** that:

- *the Corporate Governance Committee approve the Statement of Accounts 2016/17, which is Appendix 1 to the report*
- *the Chair and Head of Finance Officer sign the Accounts and the Letter of Representation.*

## **7 INTERNAL AUDIT UPDATE**

The Chief Internal Auditor (CIA), introduced the Internal Audit update report (previously circulated) updating members on the Internal Audit progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement.

The report provided information on work carried out by Internal Audit since the last committee meeting. The CIA guided members through the reports which provided an update as at September 2017 on:

- Internal Audit reports recently issued
- Follow up of previous Internal Audit reports
- Progress on Internal Audit work to date in 2017/18
- A summary of upcoming Internal Audit projects
- Internal Audit performance Standards

The following matters were raised during debate-

- Investment in maintaining and improvement in roads – The Head of Business Improvement and Modernisation explained bridges and roads was scheduled to be included in the Corporate Plan to enable a programme of work and monitoring. Councillor Thompson-Hill explained that Highways had a programme of works which prioritised work to be completed.
- Document retention had received a low assurance following audit results – The CIA explained that following a staff survey the results had proved to be lower than expected. The CIA clarified to members the robust action plan was in place to raise awareness and the Corporate Retention Schedule was to be made easily accessible for all.

The Chair thanked officers for the detailed report and responses to concerns raised by members.

**RESOLVED**, that the Corporate Governance Committee receive the update report and note its contents.

## **8 INTERNAL AUDIT CHARTER**

The Chief Internal Auditor, introduced the Internal Audit Charter report (previously circulated) to provide members the revised Internal Audit Charter for the Committee's approval.

The Chief Internal Auditor explained the Charter had been updated following changes to the structure of Internal Audit service and to reflect changes to the Public Sector Internal Audit Standards.

Following member concerns, the Chief Internal Auditor confirmed the number of workforce had reduced to 6 officers, and expressed that all audit work would be completed to required deadlines. The Chief Internal Auditor expressed that there was sufficient resources to deliver the required assurance.

**RESOLVED**, that the Corporate Governance Committee receive and approve the revised Internal Audit Charter.

## **9 CORPORATE SAFEGUARDING PROGRESS REPORT**

The Chief Internal Auditor, and Head of Community Support Services introduced a verbal update on the implementation of the action plan on Corporate Safeguarding.

The Head of Community Support Services informed members a booklet was being produced alongside the new website for Corporate Safeguarding for all to have access to the information. The introduction of a mandatory training exercise would be in place to ensure staff are aware and trained in Corporate Safeguarding.

The Committee were pleased with the progress made to Corporate Safeguarding and praised Officers for the work that had been made to higher standards.

***RESOLVED**, that the committee receive and note the information report on the updates to Corporate Safeguarding.*

**At this juncture (11.05 a.m.) there was a 10 minute break**

**Meeting reconvened at 11.15 a.m.**

## **10     **LOGGERHEADS CAR PARK PROJECT****

The Head of Highways and Environmental Services (HHES), introduced the report (previously circulated) to review the work on the Loggerheads car park project.

The HHES explained to members the background of the project. He explained a member proposal form had been submitted to the Scrutiny Chair and Vice-Chair Group, requesting a report be considered. It was subsequently decided Corporate Governance Committee received the report.

Councillor Martyn Holland informed members that he had raised the initial member proposal form. He stated his initial concern had been with regard to the double yellow lines and dangerous parking at the site. Councillor Holland expressed overall praise for the project and stated the carpark had much improved. Concerns with regard to the entrance had been raised including the overspend that was needed to complete the project.

In response to concerns raised the HHES confirmed there had been issues with the project and the design of the entrance. The project Manager explained projects such as the Loggerheads carpark always have a risk element and contingency plans in place to accommodate any changes necessary.

Lay Member Paul Whitham asked if a definition of contingency could be provided to members to enable further understanding. Members asked officers for information regarding the process of tendering and the 'Sell to Wales' procurement portal. In response to members questions officers stated the Sell to Wales information website had proved beneficial. The Welsh Government had set up the portal for businesses to obtain contracts, advertise tender opportunities and promote services. Denbighshire are obliged to use the portal as the adverts complied with EU Procurement rules and tenders are allotted where appropriate to attract local suppliers.

The Chair thanked officers for the detailed report and expressed gratitude for the honesty and knowledge given in response to members concerns. Councillor Martyn Holland also thanked officers for the work completed at the Loggerheads Car Park Project and the report provided to members.

***RESOLVED**, that*

- *the definition of Contingency be provided to members*
- *members receive the report and its contents.*

## **11 DOMICILIARY CARE SERVICES ACTIONS UPDATE**

An information report was provided by the Head of Community Support Services (previously circulated) on updates made following the CSSIW National Review of Domiciliary Care in Wales.

Councillor Bobby Feeley Lead Member for Well-being and Independence was in attendance for the item.

In response to questions raised, the Head of Community Support Services informed members that work was progressing well on the action plan to address areas of development.

The Chair thanked the Officers and Lead Member for the update and was pleased progress was being made to address issues raised.

**RESOLVED**, that the Corporate Governance receive the report and note its contents.

## **12 WALES AUDIT OFFICE'S PROGRAMME OF WORK**

The Wales Audit Office provided Members with an information report (previously circulated) detailing the proposed programme of work. The report highlighted proposed Wales Audit Office reports on both financial and performance related audit work.

**RESOLVED**, that the committee receive and note the content of the WAO report.

## **13 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME**

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

The Committee confirmed the Corporate Governance FWP subject to the following amendments:-

29 November 2017-

- A report on Schools in Financial difficulty
- An update report on the Government Statement
- The Internal Audit Self-Assessment

24 January 2018

- School Finance Regulations report
- Outside Bodies Report
- General Data Protection Regulation (GDPR) Report

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

**The meeting concluded at 12:20 p.m.**

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<b>Report To:</b>	Corporate Governance Committee
<b>Date of Meeting:</b>	29 <sup>th</sup> November 2017
<b>Lead Members / Officers:</b>	Councillors Huw Hilditch-Roberts & Julian Thompson-Hill / Karen Evans, Head of Education & Children's Services /Richard Weigh, Head of Finance
<b>Report Author:</b>	Richard Weigh & Karen Evans
<b>Title:</b>	<b>Challenge &amp; Intervention Framework for Schools in Financial Difficulty (SIFD)</b>

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- 1. What is the report about?**  
The council's process for working with schools in financial difficulty.
- 2. What is the reason for making this report?**  
To explain the council's policy and approach to working with schools in financial difficulty. The policy follows a number of escalation steps, one of which is for individual schools and governors to report to the council's corporate governance committee.
- 3. What are the Recommendations?**  
To note and comment upon the council's SIFD framework (detailed in Appendix 1), which includes an escalation step for schools to report to the corporate governance committee.
- 4. Report details**  
The management and responsibility for school budgets is delegated to individual school governing bodies. The legislative provisions are within the School Standards and Framework Act, 1998 and the School Funding (Wales) Regulations 2010. Both sets of legislation underpin the council's Scheme for Financing Schools (Appendix 2). The council determines the total amount of school budget - before external grants - annually and then delegates most of this (approximately 85%) to schools through an agreed formula. The remainder is managed centrally on behalf of schools to fund items such as school transport and other central costs.  
  
The financial management support for schools is delegated to the schools through dedicated the business and finance managers. Under the above Scheme, each school is required to submit a three year budget plan to the council annually. Budget plans must show the school's intentions for expenditure in the following three financial years and the assumptions underpinning that budget plan. Schools are responsible for the management of surpluses or deficits over the period.  
  
The Scheme also makes provision to license a deficit position for and in support of this, the council has develop a more detailed challenge and intervention framework. The framework is attached as Appendix 1 and is best summarised in the flow chart on Page 3 of the appendix.

Escalating steps are clearly set out, culminating in the eighth step which includes referral to the Corporate Governance Committee. The ultimate step would be for the council to exercise powers to remove the powers delegated to the school.

By way of context, from 2011/12 to the end of 2016/17, councils were directed by the Welsh Government to protect school budgets financially by an amount 1% above the level of financial grant from the UK government to the Welsh government. Denbighshire elected to provide more funding to schools over this period, providing 70% more in total to schools than would have been the case by simply applying the mechanism required by Welsh Government. The financial value of Welsh Government protection to Denbighshire schools was £4.422m over 6 years from 2011/12 to 2016/17 whereas Denbighshire school budgets increased by £7.519m over same period.

School balances were at a high of £3.9m in 2013-14 before falling steadily since. Even with the additional funding provided locally (above the amount required), it hasn't been enough to keep up with all of the financial pressures placed upon schools. The pay rises and increases to National Insurance and pension costs during this period have been especially difficult for the sector to deal with, most notably in 2016/17. The pressures were reflected in the medium term budget assumptions issued to schools.

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

The annual external audit process underpins the financial stewardship and governance of the council and therefore supports all council services and priorities.

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

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

**7. What are the main conclusions of the Well-being Impact Assessment?**

It is the professional judgement of the Head of Education and Section 151 Officer that a Well-being Impact Assessment is not required for this report as it is merely reporting an existing framework to the council's audit committee.

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

Schools have been consulted on both the Scheme for Financing Schools and the SIFD framework. The School Budget Forum keeps both under review.

**9. Chief Finance Officer Statement**

The nature and rate of delegation to schools comes with responsibility to manage the financial position. It is accepted that within this framework, there will be surpluses and deficits. It is the responsibility of the schools to ensure surpluses are managed responsibly and that deficits are addressed over a reasonable period. The SIFD framework is the council's mechanism to ensure this happens and includes appropriate sanctions if it does not.

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



The Scheme for Financing Schools and the SIFD framework set out the council's approach and controls to ensure that delegated school budgets are properly managed.

**11. Power to make the Decision**

School Standards and Framework Act, 1998 and the School Funding (Wales) Regulations 2010.

Section 151 of the Local Government Finance Act 1972.

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# Denbighshire County Council

## Schools Reporting Timetable and Challenge & Intervention Framework for Schools in Financial Difficulty



**Created:** June 2013

**Last Updated:** June 2017

**Author:** Schools Support Team

## Introduction

The Denbighshire Scheme for Financing Schools prohibits schools from planning for a deficit when preparing their annual budget plans. In support of the Authority's monitoring and intervention role the scheme requires schools:

- To return a draft 3 year budget to the LA and if applicable, submit notification that they are unable to set a balanced budget by the 1<sup>st</sup> April each year
- To gain approval, where applicable, for a planned deficit, by the 1<sup>st</sup> May of each year including submission of the proposed recovery plan intended to support the reduction/removal of that deficit. Any unplanned deficits that occur within the financial year due to unforeseen circumstances must be reported as soon as they become known to the school. Approval to carry forward that deficit to the new financial year must be sought.
- To submit a final Governor approved budget (surplus or deficit) by the 31st May each year to include a financial recovery plan for those schools who have been granted a licensed deficit

Schools should only apply for a licensed deficit in circumstances where they cannot set a balanced budget without seriously impacting on educational provision.

Denbighshire County Council has no power to write off the deficit balance of any school and all deficits will remain a liability of the Governing Body until paid back. This applies in all circumstances including during school re-organisation.

Schools must, where possible, avoid the need to apply for a licensed deficit by robustly managing their 3 year budget planning process and being proactive in responding to changes early enough to allow mitigating actions to be implemented.

Where it is found that deficits have occurred as a result of financial mismanagement at a school level then Denbighshire County Council will consider the merits of enforcing its powers under S51 of the Schools Standards and Framework Act to remove financial delegation from the school. Denbighshire is however committed to working with the Governing Body to ensure this can be avoided where possible.

## What is the purpose of the Framework?

The challenge and intervention framework is intended to act as a mechanism for the Authority to provide schools with an appropriate level of challenge and support to help them set a balanced budget or if this is not achievable to prepare a recovery plan that sets out the action the school will take to achieve a sustainable financial position over an agreed period of time.

The framework will provide schools with:

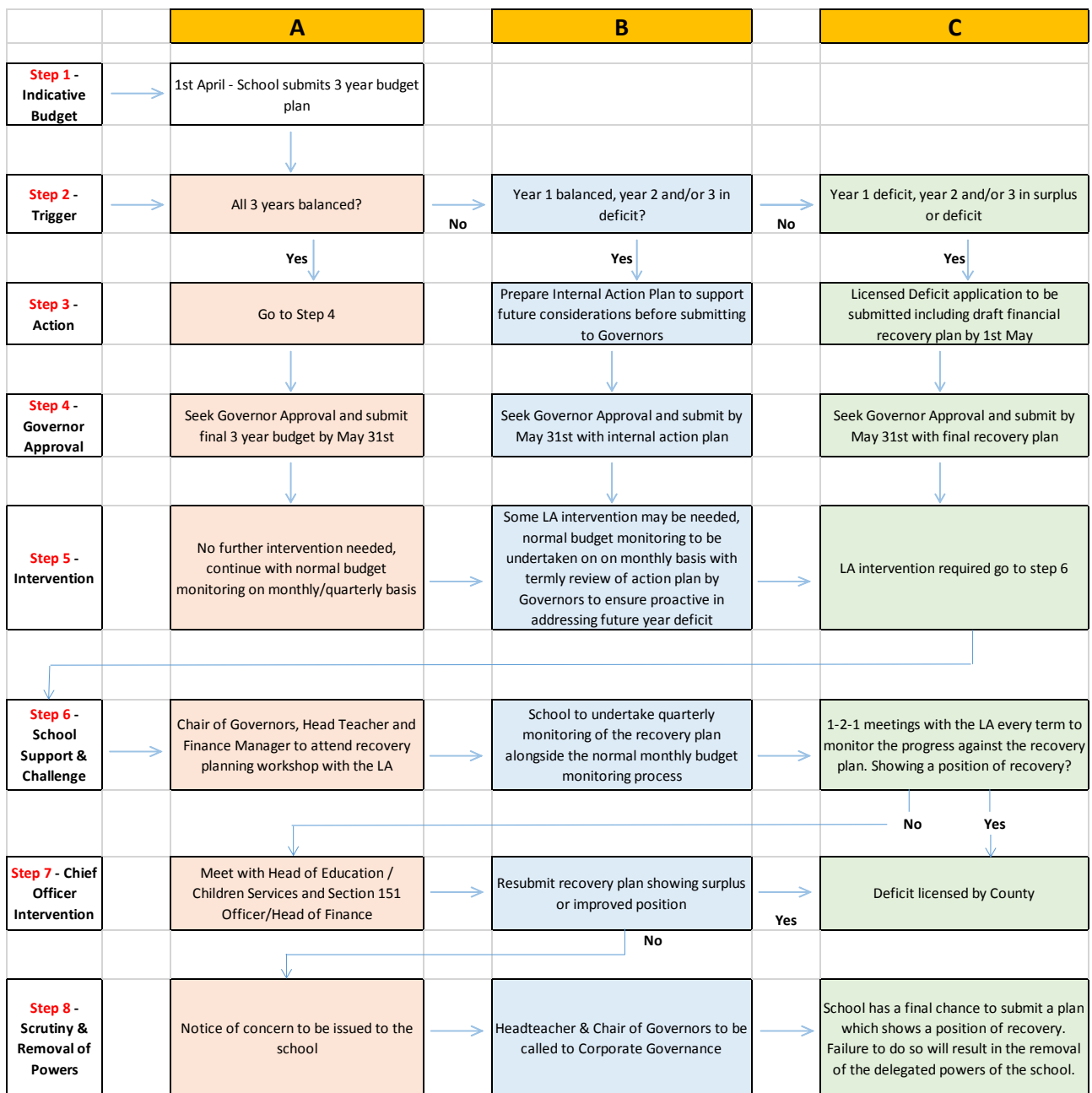
- **An agreed timescale in which to take the action required to balance the budget**  
A school will normally be expected to deliver its recovery plan within a three year period. This may be extended in exceptional circumstances where a school cannot deliver a recovery plan over three years without seriously affecting its educational provision or standards. Any extension beyond a two year period must be agreed by Denbighshire's Head of Education and Section 151 Officer.
- **Support, Monitoring and Challenge**  
Financial and operational management support and challenge through a network of advisors including Education Officers, Finance Officers and HR Officers.

This may include the provision of:

- Benchmarking data
- Financial analysis
- Audit information
- Regulatory Advice
- Contextual data – e.g. demographic changes
- Focused training sessions relevant to the situation

Any school failing to comply with this framework by taking actions to meet the requirements will be in breach of their financial management responsibilities. This will be challenged and can lead to intervention by the S151 Officer and potential removal of the delegated powers of the school

The process for challenging and supporting schools is defined in the diagram below:



Each of the steps in the diagram is explained below.

### Step 1: Indicative Budgets

The school will submit their DRAFT 3 year budgets to the School Funding Team by the 1<sup>st</sup> April of each year. These will be based on the final budget released to schools within the annual school budget formulation cycle.

### Step 2 & 3: Trigger/Action

If a school submits a 3 year budget plan that shows a surplus position in each of the 3 years no intervention will be required and they will only be required to seek Governor Approval and continue to monitor as part of the normal budget monitoring process for schools.

If a school submits a 3 year budget plan that shows a surplus position in year 1 but a potential deficit in year 2 and/or year 3 then there will be no direct requirement for intervention however the schools will be required to prepare an internal action plan that outlines their commitment to address future year's deficits. They will then only be required to seek Governor Approval and monitor as part of the normal budget monitoring process for schools with the action plan being reviewed on a termly basis.

If a school submits a 3 year budget plan that shows a year 1 deficit and/or surplus/deficit in years 2 & 3 then direct intervention will be required. The school must initially apply for a licensed deficit by 1<sup>st</sup> May with a draft financial recovery plan as supporting documentation. The recovery plan must indicate the actions that will be taken to bring the financial position back into balance. This may be through a combination of income generation and/or a reduction in expenditure and will in most cases result in staffing implications.

If the Recovery Plan is not deemed robust enough to deliver the savings needed the licensed deficit will be rejected. Schools will be in breach of financial regulations if they set a deficit budget that has not been approved via the appropriate process

Schools are required to re-apply for a licensed deficit on an annual basis, even where a recovery plan has been agreed previously. This will allow the LA to ensure that the recovery plan is on track to being delivered and mitigates the risk of further changes at the detriment to the schools financial position

### Step 4: Governor Approval

In all cases schools must ensure that Governors are accountable for the financial position of the school. The 3 year Governor Approved budget plan must be submitted by 31<sup>st</sup> May of each year to include a recovery Plan for those in deficit.

### Step 5: Intervention

Those schools that are in surplus over the 3 year period will not require any direct intervention and will simply be required to monitor their position within the normal monthly monitoring process. Those schools who may be facing a year 2 and/or year 3 deficit may require intervention dependent upon the severity of the forecast position. This will be provided at the request of the school and if deemed appropriate.

Those schools that are in deficit in the current year will require intervention under step 6 of the above process.

## **Step 6: School Support and Challenge**

Financial advice, information and training will be available to support schools in recovering from a deficit financial position. This will initially be via a financial recovery workshop that will be set up between the Head teacher, Chair of Governors and Finance Manager. Schools will then be required to continue to monitor the plan, as a minimum on a termly basis and re-submit as necessary.

1-2-1 meetings will be held between the school and LA Officers to ensure the recovery plan is continually validated and appropriately monitored. Paperwork for this meeting must be received by the Schools Support Team at least 3 working days prior to it taking place, or the meeting will be cancelled and the position escalated. Full spreadsheets including the 3 year plan, recovery plan and staffing list are required.

Following the submission of a recovery plan a number of validation checks will be completed by the School Funding Team to ensure that the plans are reasonable. This will be done by: -

- Comparing the current year's income and expenditure budgets with previous years' trends to identify any significant differences.
- Checking that the correct balances have been brought forward into the current year and all funding delegated by the Local Authority has been taken in to account.
- Actions included in the recovery plan are realistic and that by implementing them the required level of savings can be achieved.
- Any areas that are unclear or simply not achievable will be queried with the school and clarification sought.

Where the plans are deemed to be suitable then they will be accepted by the Local Authority and reviewed throughout the year in the termly 1-2-1 meetings.

The licensed deficit will be approved by the Head of Education & S151 Officer and written confirmation will be sent to the school once the licensed deficit has been processed.

## **Step 7: Chief Officer Intervention**

This step is for those schools who are unable to show a position of recovery following meetings with the LA. The Chair of Governors, Head Teacher and Finance Manager will be called to meet with the Head of Education plus the Section 151 Officer to discuss the financial recovery plan submitted.

The School will have another opportunity to re-submit a recovery plan showing a surplus position.

If the plans are deemed to be suitable they will be accepted by the Local Authority and reviewed throughout the year in the termly 1-2-1 meetings.

## **Step 8: Corporate Governance Committee & Removal of Delegated Powers**

Intervention is proposed to escalate at three levels. It is envisaged that deficit schools will engage with the Local Authority well before the need for intervention as these arrangements are the last resort, for the protection of public monies and to protect the overall resource for all schools. The levels of intervention are:

1. Notice of Concern issued to School

A school that fails to not take the necessary action will be given a formal notice of concern, stating the action the Local Authority recommends they should take to bring the budget back in to balance including any charging of interest on the deficit.

2. School given 1 month to respond to notice of concern

An explanation will be required from the school about the action being taken to safeguard the school's financial position and why progress to date has not been satisfactory. The School will also be requested to discuss the deficit at the Council's Corporate Governance committee.

3. Suspension of delegated financial powers

Where the LA considers that insufficient progress or cooperation has been made decision will be made by the Head of Education and S151 Officer to suspend delegation. Under suspension the authority would take control of the budget and take the necessary action before returning control to the Governing Body. During the suspension school staff would be responsible to the authority for the day-to-day financial administration in the school and all budgetary decisions will be removed from the school.

Removal of delegated powers will apply where:

- The school is persistently in breach of the Scheme for Financing Schools
- The school will not set a balanced budget
- The school will not engage in the licensed deficit process
- The deficit is worsening and no action is being taken by the school
- There is evidence of financial mismanagement by the school
- A school in special measures has not demonstrated commitment to making better use of resources or achieving value for money



**Appendix 1**

**Recovery Plan Proforma**



**Draft Financial Recovery Plan**

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\*\*\*\*\* **School**

Status from latest 3 year projection if no further action taken:

	2016/2017	2017/2018	2018/2019	2019/2020
Surplus/(Deficit) Carried Forward		0	0	
Budget/Forecast Budget				
Forecast Expenditure				
Annual Surplus/(Deficit)	0	0	0	0
<b>Cumulative Surplus/(Deficit) if no further action taken</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Mitigating Actions:

EVRs / Retirement

<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
In-year Surplus/(Deficit)	0	0	0	0
<b>Revised Cumulative Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Notes**

## Appendix 2

### Licensed Deficit Proforma



## Application for a Licensed Deficit for Schools

*Schools should only apply for a planned licensed deficit in circumstances where they cannot set a balanced budget without seriously impacting on educational provision.*

**Name of School:**

**Date:**

**Financial Year:** 2017/2018

**Value of deficit (predicted deficit by 31/03/2018):**

### We will:

- Confirm we will implement the savings in the timescales agreed, and inform the School Funding Section of any deviation from the recovery plan (attached).
- Provide any other information as and when required by the Local Authority.
- Enclose a 3 Year Budget Recovery Plan.

**Signed (Headteacher):**

**Print Name:**

**Date:**

**Signed (Chair of Governors):**

**Print Name:**

**Date:**

Please either scan and return this form to [catherine.howatson@denbighshire.gov.uk](mailto:catherine.howatson@denbighshire.gov.uk) or send it to the School Funding Team, Finance, County Hall, Wynnstay Road, Ruthin, LL15 1YN.

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**Denbighshire County Council  
Cyngor Sir Ddinbych**



**Department of Education**

# **Scheme For Financing Schools**

**Karen Evans  
Head of Education**

**Revised May 2013**

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## **SECTION 1**

### **INTRODUCTION TO THE SCHEME**

#### **1.1 THE FUNDING FRAMEWORK**

- 1.1.1 The funding framework which replaces Local Management of Schools is based on legislative provisions contained in sections 45-53 of the School Standards and Framework Act, 1998 (SSAF Act) and as further detailed in The School Funding (Wales) Regulations 2010.
- 1.1.2 Under this legislation, the Local Authority determines the size of the Local Schools Budget (LSB). The categories of expenditure which fall within the LSB are prescribed under regulations made by the Secretary of State, but included within the LSB is all expenditure, direct and indirect, on the Authority's maintained schools. The Local Authority may retain funding for purposes defined in regulations made by the Welsh Assembly Government under s.46 of the SSAF Act. The amounts to be retained centrally are determined by the Authority, subject to any limits or conditions prescribed by the Welsh Assembly Government. The balance of the LSB left after deduction of centrally retained funds is termed the Individual School's Budget (ISB).
- 1.1.3 The Local Authority must distribute amounts from the ISB amongst all its maintained schools, according to a formula which accords with regulations made by the Welsh Assembly Government, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to delegated budget has been suspended in accordance with s.51 of the SSAF Act. The financial controls within which delegation works are set out in this document in accordance with s.48 of the SSAF Act and are subject to approval by the Schools' Forum or Welsh Assembly Government. All revisions to the Authority's scheme must be approved by the Schools' Forum or Welsh Assembly Government, which will have the power to modify or impose a scheme.
- 1.1.4 Subject to the provisions contained in this scheme, governing bodies may spend budget shares for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Welsh Assembly Government in regulations made under s.50, SSAF Act, 1998.
- 1.1.5 The Authority may suspend a school's right to a delegated budget, by giving the governing body notice, in writing, if the provisions of the Scheme for Financing Schools (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. The Authority is likely to issue the governing body of a school with a Notice of Concern letter in the first instance where, in the opinion of the Head of Education and the Section 151 Officer, action is needed to be taken to safeguard the financial position of the Authority or school. Such a notice will set out the reasons and evidence for it being made and may place

on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it. The process the Authority will follow in suspending delegation is outlined in Annex 2. There is a right of appeal to the Welsh Assembly Government. A school's right to a delegated budget share may also be suspended for other reasons.

- 1.1.6 In accordance with regulations, the Authority will publish each year a statement setting out details of its planned Local Schools' Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares and the detailed calculation for each school. After each financial year the Authority will publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.
- 1.1.7 The detailed publication requirements for financial statements and for the Scheme are set out in regulations. Each school will receive a copy of the Scheme and any amendment, and each year's budget and out-turn statements.

## **1.2 THE ROLE OF THE SCHEME**

- 1.2.1 Denbighshire County Council's Scheme for Financing Schools sets out the financial relationship between the Authority and the maintained schools which it funds. The Scheme contains requirements relating to financial management and associated issues and is binding on both the Authority and on schools. The scheme should be considered in conjunction with Denbighshire County Council's Education Service Service Plan, and education policy and guidance documents, including those described in para 1.1.6 above and Denbighshire County Council's Contract & Procedure Rules.

## **1.3 APPLICATION OF THE SCHEME TO MAINTAINED SCHOOLS**

- 1.3.1 This scheme applies to all Denbighshire's Community, Voluntary, Community Special and Foundation schools. Schools within scope of the scheme are listed at ANNEX 1 to this scheme.

## **1.4 PUBLICATION OF THE SCHEME**

- 1.4.1 A copy of the scheme for financing schools in Denbighshire, together with any approved revisions, will be provided for the Headteacher and Governing Body of each school covered by the scheme. Additionally, the scheme will also be made available on both the working document store for internal purposes, and the Denbighshire website.

## **1.5 REVISION OF THE SCHEME**

- 1.5.1 Monitoring and evaluation of the scheme will be carried out by the Schools' Budget Forum which meets termly for consultative purposes. The Forum comprises governors, headteachers, and members and officers of the County Council. The Forum evaluates the efficiency and

effectiveness of the Scheme for Financing Schools and approves any changes to the Scheme. All Forum minutes and agendas are available on the Denbighshire website.

- 1.5.2 Proposed revisions to the scheme will be the subject of consultation with all headteachers and all Schools' governing bodies. Should the Schools' Forum and the Authority not agree on the terms of any proposed revision to the Scheme, the Authority may apply to the Welsh Minister for approval of such proposals.
- 1.5.3 The Welsh Minister may approve proposals, approve subject to modification, or refuse to approve any such proposals.

## **1.6 THE ROLE OF THE AUTHORITY, THE GOVERNING BODY AND DELEGATION OF POWERS TO THE HEADTEACHER**

- 1.6.1 Denbighshire County Council has a wide range of statutory functions relating to the provision of Education, including a duty to promote high standards. The Authority's priorities are laid down in the 'Big Plan' and the 'Education Services Service Plan' which form the basis of an active partnership between the County Council, its schools and other partners to secure continuous school improvement.
- 1.6.2 Governing bodies are incorporated and have their own statutory duties and powers. Specifically, the governing body is required to conduct the school with a view to promoting high standards of educational achievement. The governing body has a general responsibility for ensuring that the school is run effectively and efficiently within the framework set by legislation and the policies of Denbighshire County Council.
- 1.6.3 The governing body of a school which has a delegated budget is able, subject to any specific provisions made by this scheme, to spend any sum available to it in respect of the school's budget share for a financial year as they deem appropriate. In doing so, they must determine what powers they wish to be delegated to the headteacher. Governors will want to balance the need for the school to function effectively on a day to day basis with the fact that responsibility rests with them. A prudential balance needs to be arrived at, which should include full reporting back to governors of the use made of delegated powers on a suitable periodic basis. The governing body is required to consider the extent to which it wishes to delegate its financial powers to the headteacher and other members of their Schools leadership teams and to record its decisions (and any revisions) relating to delegation of powers in the minutes of the governing body.
- 1.6.4 The first formal budget plan of each financial year must be approved by the full governing body by 31<sup>st</sup> May. (see SIFD policy)

## **1.7 MAINTENANCE OF SCHOOLS**

The Authority is responsible for maintaining the schools covered by the Scheme, and this includes the duty of defraying all the expenses of

maintaining them (except in the case of a voluntary school where some of the expenses are, by statute, payable by the governing body). Part of the way an Authority maintains schools is through the funding system put in place under Sections 45 to 53 of the School Standards and Framework Act 1998.

## **SECTION 2**

### **FINANCIAL REQUIREMENTS: AUDIT**

#### **2.1 APPLICATION OF FINANCIAL CONTROL TO SCHOOLS**

2.1.1 In their management of the delegated budget, Governing Bodies must abide by the Authority's requirements on financial controls and monitoring as identified in both this published scheme and in those publications referred to within this scheme but not comprising part of it. Where additional publications are referred to, these will be provided for schools and be fully compatible with this scheme.

#### **2.2 PROVISION OF FINANCIAL INFORMATION AND REPORTS**

2.2.1 Schools are required to provide the Local Authority with details of anticipated and actual expenditure and income. Finance Managers must populate the County's Collaborative Planning system (CP) with 3 year figures and keep up to date in accordance with the Revenue Report and Committee timetable.

2.2.2 Those schools deemed to be in financial difficulty (SIFD) will be expected to meet the requirements of the [\*Challenge and Intervention Framework for Schools\*](#).

#### **2.3 PAYMENT OF SALARIES: PAYMENT OF BILLS**

2.3.1 The County Council may offer an SLA for the payment of salaries and the procurement and payment of goods and services, according to the terms and specifications of the DCC Traded & Support Services Framework. All responsibilities, administrative arrangements and designation arrangements relating to these services will be agreed with schools at the time the SLAs are agreed, the details of which can be found on the working document store.

#### **2.4 CONTROL OF ASSETS**

2.4.1 Schools are free to determine their own arrangements for keeping a register of assets worth less than £1000, but they must keep a register in some form that satisfies the requirements of insurers. The Authority issues guidance in this respect. All schools are required to maintain a register of its moveable non capital assets worth in excess of £1000 in a form determined by the Authority and in accordance with Denbighshire

County Council's Contract & Procedure Rules. All disposals of assets from the register shall firstly be authorised by the governing body or its finance committee (if appropriate). All disposals shall also be in accordance with Denbighshire County Council's Contract & Procedure Rules.

## **2.5 ACCOUNTING POLICIES (including year end procedures)**

### **2.5.1 Accounting Policies**

The Authority's responsibilities are to make arrangements for the proper administration of its financial affairs and to secure that one of its officers (the Section 151 Officer) has responsibility for the administration of those affairs. The Section 151 Officer is responsible for the preparation of the Authority's statement of accounts, which includes expenditure by schools and must present a true and fair view of the financial position of the Authority at the end of the financial year.

In order to achieve this, suitable accounting policies have been selected and will be applied consistently, ensuring that proper accounting records are maintained and kept up to date. A summary of the main policies is given below:

- use of accruals (commitments) basis;
- all income and expenditure should be matched;
- a prudential approach should be adopted towards estimating future income and expenditure.

All schools must comply with the Authority's accounting policies.

### **2.5.2 Accounting year end procedures**

Financial Services will issue specific guidelines to schools on the timetable and procedures to be followed. Schools are required to comply with the closure timetable.

## **2.6 WRITING OFF OF DEBTS**

2.6.1 The Governing Body of each school will have the final decision in the writing off of debts. Any costs arising from the Governors decision must be met from the School's delegated budget share. The Authority will provide schools with regular information on outstanding debts to ensure this can be monitored effectively.

## **2.7 BASIS OF ACCOUNTING**

2.7.1 The Local Authority requires all reports and accounts from schools to be on an accruals basis. This means that all income and expenditure should be accounted for in the financial year which it is incurred. However, internally schools may use either a cash or accruals basis for accounting.

## **2.8 SUBMISSION OF BUDGET PLANS**

- 2.8.1 Each school, through their designated Finance Manager, is required to submit a 3 year budget plan to the Authority annually. In the case of all schools, this should be not later than 31 May each year. However, best practice would dictate that financial year budgets should be set by 1 April. Budget plans must show the school's intentions for expenditure in the following 3 financial years and the assumptions underpinning that budget plan. Budget plans need to be monitored and reviewed for accuracy in a timely manner.

It is desirable that schools make clear the way in which school development planning and, in particular school improvement, is supported by the budget plan. In certain cases, and specifically where planned expenditure is exceeded, the Authority will require the submission of revised plans.

- 2.8.2 Finance Managers will have online access to the Authority's Financial Management Systems (JWalk & Collaborative Planning - CP), which will show the latest income and expenditure items posted against the school's delegated budget. The system allows schools to enquire on individual items and raise any queries they may have in relation to the item.
- 2.8.3 Schools must take full account of estimated deficits/surpluses at the previous 31 March in their budget plan. Schools are allowed to apply for a licensed deficit and show that they have a plan to be in a surplus position over 3 years. Those schools with falling rolls and severe forecast deficit positions will be required to submit a recovery plan which will be closely monitored on a regular basis. The requirements for this are set out in the Challenge and Intervention Framework for Schools.

## **2.9 IMPROVEMENT PLANNING**

- 2.9.1 Section 2 of the Local Government (Wales) Measure 2009 places local authorities under a general duty to "make arrangements to secure continuous improvement in the exercise of [their] functions". While this statutory responsibility does not extend to governing bodies, it is considered good practice for such bodies to set clear priorities, to identify actions to achieve them and to establish an appropriate framework of performance measures to be used in monitoring progress. Such plans and strategies will need to be refreshed on a regular basis possibly annually.

## **2.10 VIREMENTS**

- 2.10.1 Schools may vire funds between budget heads within delegated budgets. However, where the governing body is in receipt of specific grants, they must comply with the grant conditions relevant to each grant. The funding allocated through the funding formula is not hypothecated for that particular purpose and can be vired accordingly.

## **2.11 AUDIT: GENERAL**

- 2.11.1 Financial Regulations 26-29 require an on-going internal and external audit system for all schools. Each governing body is expected to comply with these regulations and to meet any request for information or access to records from both internal and external auditors.

## **2.12 SEPARATE EXTERNAL AUDITS**

- 2.12.1 Governing bodies may employ their own suitably qualified external auditors to audit their accounts if they wish. The Authority will not, however, make any additional funds available for this purpose. Such arrangements will not preclude the Section 151 Officer carrying out any internal or external audit check he/she feels necessary.

## **2.13 AUDIT OF VOLUNTARY AND PRIVATE FUNDS**

- 2.13.1 Every governing body must ensure the safe and proper custody of any voluntary or private funds, or funds relating to trading organisations entrusted to it, and that all funds are approved firstly by the governing body and thereafter properly accounted for. To this end, all funds must be subject to an appropriate audit certificate on an annual basis and, where a fund is registered as charitable, all necessary returns to the charity commission are completed and submitted in accordance with requirements of the charity commissioners. It is the responsibility of the Governing Body to ensure that the school meets the requirements of the DCC School Fund Guidance.
- 2.13.2 A report should be presented to the Governing Body annually, stating the use made of such funds and the balances held.

## **2.14 REGISTER OF BUSINESS INTERESTS**

- 2.14.1 All governors, headteacher and all members of staff of a school must declare all business interests they or their immediate family have in a register set up by the governors for that purpose. It will be the responsibility of the governing body to ensure that the register is kept up to date, by positively reviewing and making necessary enquiries of every governor, headteacher and members of staff at least annually.

## **2.15 PURCHASING, TENDERING AND CONTRACTING REQUIREMENTS**

- 2.15.1 Schools are required to abide by the Authority's Financial Regulations Relating to Schools FR45-56 in relation to purchasing, tendering and contracting matters.
- 2.15.2 The Council has established a number of "corporate contracts" with approved suppliers and there is an expectation that schools will utilise these contracts in order to ensure and demonstrate that they are

obtaining value for money. Current examples of such contracts include office supplies, educational products, paper, energy, IT hardware and Consumables.

## **2.16 APPLICATION OF SERVICE LEVEL AGREEMENTS (SLA's) TO SCHOOLS - SEE ALSO SECTION 8**

- 2.16.1 Schools are not bound to take up Authority SLAs and may opt out of them if they feel they can obtain value for money from an alternative provider. This only applies to those services categorised as traded and not those categorised as support. Schools which enter into SLAs with the Authority are bound by the terms contained within each SLA, which may allow for variation of terms and conditions. Schools which opt out of Authority SLAs in contravention of the agreed terms and conditions will be required to meet any additional costs or obligations incurred as a result of their action. Schools may also be bound to certain contracts approved by the Welsh Assembly Government for services for which funding is delegated after April 1999, irrespective of the agreement of schools.
- 2.16.2 Schools should note that, although governing bodies are empowered under para 3 Sch 10 SSAF Act 1998 to enter into SLAs or contracts, in most cases they do so on behalf of the Education Authority, as maintainer of the school and owner of the funds in the budget share. Where the governing body has clear statutory obligations, e.g. contracts made by aided schools for the employment of staff, the agreement may be made solely on behalf of the governing body.
- 2.16.3 The Authority publishes to schools a list of School Support / Traded Services every year, containing a list of the services which it intends to offer to schools and for which schools may enter into contractual arrangements with the Authority. The Authority reserves the right to alter or amend these services in line with its duty to secure value for money. It undertakes to conduct a periodic review of such services through Schools' Budget Forum.

## **2.17 CENTRAL FUNDS AND EARMARKING**

- 2.17.1 Where certain conditions are met, the Authority may make available to schools, allocations from central funds or grants that are additional to and separate from a schools delegated budget share.
- 2.17.2 All such additional allocations will be subject to conditions that clearly set out the purpose or purposes for which the funds may be used.
- 2.17.3 The Local Authority retains the right to require a school to return any earmarked sum or grant if it cannot be demonstrated that such funding has been spent on the purposes for which it is given.
- 2.17.4 The Authority will, if necessary, establish an appropriate accounting mechanism to ensure that such allocations are not assimilated into a schools budget share.



2.17.5 The Local Authority cannot make any deduction, in respect of interest costs to the Local Authority, from payments to schools of devolved specific or special grant.

## **2.18 SPENDING FOR THE PURPOSE OF THE SCHOOL**

2.18.1 S.50, SSAF Act, 1998 allows governing bodies to spend budget shares for the purposes of the school. This may include non-school provision of programmes of education or provision of programmes of education within the 'Family of Schools' where governors can show that these relate directly to the raising of standards. One example of this would be Community Focused Schools' activities.

## **2.19 CAPITAL SPENDING FROM BUDGET SHARES**

2.19.1 Governing bodies may use their budget shares to meet the cost of capital expenditure on school premises. This provision includes expenditure by the governing body of an aided school on work which is their responsibility under para 3 Sch. 3 of the SSAF Act 1998. However, should the anticipated capital expenditure by a governing body of a school exceed £15,000 in any one year, the governing body is required to notify the Authority and take into account any advice from the Head of Education as to the merits of the proposals.

2.19.2 Where premises are owned by the Authority, normally the case with regard to maintained (community and voluntary controlled) schools, then the governing body must obtain the consent of the Head of Education to carry out proposed capital works. Consent may be withheld on health and safety or efficiency grounds, and other reasons such as 2.19.3 below.

2.19.3 Whilst all proposals for capital expenditure will be considered on their individual merits, governing bodies should be aware that the Authority will not normally approve works which could lead to the creation of spare (surplus) places, or which are contrary to the School Organisation Plan. Similarly the Authority will not normally approve works which incur additional on-going revenue costs, unless the governing body is able to demonstrate an ability to meet such additional costs from budget share.

## **2.20 GRANT FUNDING**

2.20.1 Schools in receipt of grant funding, for example from European Union sources or Lottery Funding, should be fully aware of their financial obligations under the terms of any grant. In particular, governing bodies have the responsibility for project delivery in line with the grant application and conditions and for complying with any audit and document retention requirements. Advice should be sought from the Denbighshire's External Funding Claims Team.

## **SECTION 3**

### **INSTALMENTS OF THE BUDGET SHARE: BANKING ARRANGEMENTS**

#### **3.1 FREQUENCY OF PAYMENT**

Budget shares for those schools which elect to operate an external bank account will be made available to Governing Bodies on the 18<sup>th</sup> of each month or the last working day prior to that date.

#### **3.2 PROPORTION OF BUDGET SHARE PAYABLE AT EACH INSTALMENT**

##### **3.2.1 PAYMENT INSTALMENTS**

Each monthly instalment will be of equal size equating to 1/12<sup>th</sup> of the appropriate budget share.

##### **3.2.2 INSTALMENTS EXCLUDING PAYROLL**

Instalments of Budget Share net of estimated pay costs will also be available where the Authority provides Payroll services for the school.

To enable the Local Authority to calculate the initial pay costs, Governing bodies of schools with external bank accounts will be required to advise the Authority by no later than 1st February preceding the new financial year of the intended staffing levels for the coming year. Such details must be submitted in a format determined by the Authority.

The methodology to estimate pay costs will not differentiate between schools, irrespective of size, phase or category.

Calculations of pay costs will be provided for schools choosing to operate external bank accounts by no later than 1st March preceding each financial year. (depending on timely submission of information from schools)

This calculation will take account of annual pay awards and incremental progression. The responsibility for ensuring the accuracy and updating of staffing details and pay awards lies with the Governing Body who must inform the Local Authority in writing of any changes or errors in information provided. The remaining balance of budget share will then be paid as in 3.2.1 above.

#### **3.3 ADJUSTMENT IN RESPECT OF LOSS OF INTEREST**

3.3.1 There is no proposal at present to claw back interest, but this may be reviewed in the future.

3.3.2 The LEA is required to add interest to late payments of budget share

instalments, where such late payment is the result of LEA error. The interest rate used will be in line with the current Bank of England base rate.

### **3.4 BUDGET SHARE FOR CLOSING SCHOOLS**

3.4.1 Budget shares of schools, for which approval for discontinuation has been secured, will continue to be made available until closure on a monthly basis net of estimated pay costs.

### **3.5 BANK AND BUILDING SOCIETY ACCOUNTS**

3.5.1 All schools financed under the provision of this Scheme are entitled to hold an external bank account. These accounts must be held with bona fide Financial Institutions as approved by the Authority.

3.5.2 Schools may operate both current (cheque) and interest bearing accounts but only one approved current account may be used. Any interest earned on the accounts may be retained by the school.

3.5.3 The Local Authority will, if the school desires, transfer immediately to the account an amount agreed by both the school and Authority as the estimated cash balance held by the Authority in respect of the school's budget share. Such transfer will be adjusted when the accounts for the relevant year are closed.

3.5.4 No school with a deficit balance will be able to operate an external bank account for 12 months following the clearance of such deficits.

3.5.5 All accounts opened may be done so under the name of the school only or in the name of the Local Authority. However, if the account is in the name of the Local Authority then the account mandate should provide that the Local Authority is the owner of the funds in the account, that it is entitled to receive statements and that it can take control of the account if the school's right to a delegated budget is suspended by the Local Authority. Both Local Authority and school employees must be allowed signatories to the accounts. (NB Budget Share funds paid by the Local Authority and held in school accounts remain Local Authority property until spent (S49(5) of Act).

3.5.6 Schools intending to open new bank accounts will only be allowed to do so with effect from the start of each financial year following the receipt of a written notice of intent signed by the Headteacher and Chair of Governors giving 3 months notice.

3.5.7 The Governing Body of each school will be responsible for ensuring that their bank accounts are managed properly and efficiently.

3.5.8 The choice of authorised signatories to a bank account is at the discretion of the school governing body, but the Local Authority requires

that at least two senior members of the school staff must be so authorised.

- 3.5.9 As schools will not be able to register independently with H.M. Customs and Excise, all appropriate financial stationery used by the schools must have reference to Denbighshire County Council and its registration numbers.
- 3.5.10 The Authority must be advised immediately in writing with full details of all bank accounts opened under this scheme.

### **3.6 RESTRICTIONS ON ACCOUNTS**

- 3.6.1 For schools which choose to hold their own bank accounts, as detailed in para 3.5, the school must inform the Authority as to which bank account it wishes its budget share to be credited.

### **3.7 SCHOOL PETTY CASH IMPREST ACCOUNTS**

- 3.7.1 Schools which do not wish to open their own bank account may open a small imprest cheque book account. The purpose of this account would be to allow schools to hold some petty cash at the school for the purchase of small items of expenditure.

### **3.8 BORROWING BY SCHOOLS**

- 3.8.1 Governing Bodies may borrow money only with the written permission of the Welsh Assembly Government to which application should be made. The Authority will not accept responsibility for any such loans so authorised.

## **SECTION 4**

### **THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES**

#### **4.1 THE RIGHT TO CARRY FORWARD SURPLUS BALANCES**

- 4.1.1 Any surplus / deficit balance made by a school in any one financial year shall be retained by the school and carried forward to the following financial year. Schools will receive a final outturn statement for the financial year which will show both the balance brought forward from the previous financial year and the balance to be carried forward to the next.

#### **4.2 REPORTING ON THE INTENDED USE OF SURPLUS BALANCES**

- 4.2.1 Where surplus balances are in excess of 5% of the current year's annual budget share, Governing Bodies are required to inform the Authority as to how the school intends to use such balances as outlined in the Authority's policy for the use / claw back of surplus balances.

- 4.2.2 Schools may carry balances of up to 10% if they provide the Authority with a detailed plan as how this balance will be reduced to 5% or less within 12 months.
- 4.2.3 Any school either (a) not providing a plan within the required timescale, (b) carrying more than 10%, or (c) not reducing their balance to less than 5% within the 12 month agreed period after submitting their plan, will have the sum larger than 5% deducted from their balances.n
- 4.2.4 Any funds taken from schools in the capping process will be reinstated into the school pot to be distributed via the Denbighshire school funding formula on a per pupil basis.

### **4.3 INTEREST ON SURPLUS BALANCES**

- 4.3.1 Where schools choose the Local Authority to provide Banking and Financial services on their behalf then interest will be payable on any surplus balances held in excess of £1,000.

### **4.4 OBLIGATION TO CARRY FORWARD DEFICIT BALANCES**

- 4.4.1 Where schools carry forward a deficit balance, then this will be deducted from the following year's budget share.
- 4.4.2 Where deficit balances are held, a deficit recovery plan, including a full working budget, will be requested from the School and Governing Body giving details of how they intend to recover the deficit.
- 4.4.3 Further details relating to schools with deficit balances may be found in the [Challenge and Intervention for Schools document](#) and schools must ensure they meet the requirements of this framework.

### **4.5 PLANNING FOR DEFICIT BALANCES**

- 4.5.1 Schools may plan a deficit budget provided they are able to produce a realistic and viable deficit recovery plan over a period of time agreed with the Authority. This is usually within the 3 year period covered by the 3 year budget plan, but this period can be extended in serious cases involving falling rolls. The school must, however, apply for a licenced deficit as in para 4.9. Full details can be found in the Challenge and Intervention Framework for Schools.

### **4.6 CHARGING OF INTEREST ON DEFICIT BALANCES**

- 4.6.1 Where schools choose the Local Authority to provide Banking and Financial services on their behalf then interest may be charged on any deficit balance at the discretion of the Local Authority.

4.6.2 Any charge will be based on the rate that the Authority would itself incur should it be overdrawn.

#### **4.7 WRITING OFF OF DEFICITS**

4.7.1 The Local Authority cannot write off the deficit balance of any school under any circumstances. Liability will remain with the school until deficits are cleared.

#### **4.8 BALANCES OF CLOSING AND REPLACEMENT SCHOOLS**

4.8.1 In the event of the Authority ceasing to maintain a school, then any surplus balance or deficit balance at the time of closure will revert to the Local Authority; it cannot be transferred as a balance to any other school, unless the school is a successor to the closing school.

#### **4.9 LICENSED DEFICITS**

4.9.1 Schools which do not have a deficit may plan for a deficit budget with the written approval of both the Head of Education and Section 151 Officer, given the following criteria:

- (i) the arrangement will be funded by the collective surplus of school balances held by the Authority on behalf of schools: whilst the Authority may legally take into account the balances held by a school in an external bank account (as school balances are legally the property of the Authority if made available by the Authority initially), it would wish to seek the views of such schools before acting in this way;
- (ii) the maximum period of time over which a school would be expected to repay the deficit (i.e. to reach at least a zero balance) shall be not more than five years;
- (iii) a clear and agreed purpose and plan for the deficit arrangement; to be reviewed at termly intervals;
- (iv) the Authority will not commit more than 40% of the collective schools balances held by it at any one time;
- (v) schools holding balances in their own bank accounts may be invited to participate;
- (vi) detailed terms and conditions will be agreed between the governors, headteacher, Head of Education and Section 151 Officer;
- (vii) schools will need to be aware that interest may be charged as described in 4.6 on licensed deficits;
- (viii) that in the event of the maximum period of time in which a deficit must be repaid being exceeded, the Authority may consider suspension of a

governing body's right to a delegated budget in accordance with s.51 (Sch.15) SSAF Act, 1998;

- (ix) in seeking a licensed deficit, schools will be expected to demonstrate that the arrangement supports the raising of educational standards.

Full details of the requirements can be found in the Challenge and Intervention Framework for Schools.

## **SECTION 5**

### **INCOME**

**Note:** Unless the Private Finance Initiative (PFI) states to the contrary, these rules may also apply to PFI Schools.

#### **5.1 INCOME FROM LETTINGS**

- 5.1.1 Schools may retain income from lettings of the school premises which would otherwise accrue to the Local Authority subject to the terms of:
  - (i) a joint use agreement made between a governing body and the Local Authority as per the charging policy;
  - (ii) a Private Finance Initiative (PFI) agreement.
- 5.1.2 Schools may cross-subsidise lettings for community and voluntary use with income from other lettings, provided that there is no net cost to the school's budget share.
- 5.1.3 Schools are required to pay due regard to the Authority's policy with regard to the use of school premises, including lettings, policy on charges and any joint use agreement between the school and the Authority.
- 5.1.4 Income from lettings of school premises should **not** be payable into voluntary or private funds held by a school. Schools should ensure there is no financial detriment to the school as a result of the lettings.

#### **5.2 INCOME FROM FEES AND CHARGES**

- 5.2.1 With the exception of any service provided by the Local Authority from centrally retained funds but occurring on a school site, schools may retain any income generated from fees and charges levied for a service provided by or on behalf of the Governing Body.
- 5.2.2 Where such services are provided by the school, then Governing Bodies are required to have regard to any relevant policy statements on charging issued by the Local Authority.

#### **5.3 INCOME FROM FUND RAISING ACTIVITIES**

- 5.3.1 Schools are allowed to retain any income generated from fund raising activities they organise and are responsible for. This may be retained in the school private fund.
- 5.3.2 Any deficit that occurs as a consequence of such activities must not be met from the school's delegated budget share.

#### **5.4 INCOME FROM THE SALE OF ASSETS**

- 5.4.1 Income derived from the sale of assets purchased with delegated funds may only be spent for the purposes of the school. Schools will retain the proceeds of sale of assets except in cases where the asset was purchased with non- delegated funds (in which case the Authority will decide who will retain the proceeds), or the asset concerned is land or buildings or property forming part of the school premises and is owned by the Authority.

#### **5.5. ADMINISTRATION PROCEDURES FOR THE COLLECTION OF INCOME**

- 5.5.1 Where the schools choose the Local Authority to provide Banking and Financial services on their behalf, all income received by them should be promptly banked using the schools bank paying in book with all items individually identified and coded appropriately. Schools should ensure that where applicable any VAT is separately recorded when banking.
- 5.5.2 For those schools that choose to operate an external Bank account, they will be required to establish proper practices for the recording of income ensuring that a proper VAT receipt is issued if appropriate and the correct VAT rate charged. All records will need to be kept for six full financial years.

### **SECTION 6**

#### **THE CHARGING OF SCHOOL BUDGET SHARES**

##### **6.1 GENERAL PROVISION**

- 6.1.1 In those circumstances identified under 6.2 below, the Local Authority is authorised to levy a charge on a school's delegated budget share WITHOUT the consent of the Governing Body. Governing Bodies will be advised of any additions or deletions to these circumstances, following the consultation that is required under Schedule 14 of the School Standards and Framework Act, 1998.
- 6.1.2 Such 'charges' will provide protection for the Local Authority from any liabilities caused by the action or inaction of a Governing Body.
- 6.1.3 Where charges are to be levied against a school's delegated budget share then the Local Authority will first consult with the school concerned



regarding its intention and will notify schools when the charge has been finalised.

- 6.1.4 The Authority will provide a procedure to resolve disputes where schools consider that charges have unreasonably been applied.
- 6.1.5 In all such circumstances the Local Authority will act in a reasonable manner and remains subject to a direction by the Welsh Assembly Government.
- 6.1.5 Salaries/wages of school based staff will be charged to budget shares at actual cost.

## **6.2 CIRCUMSTANCES IN WHICH CHARGES MAY BE MADE**

- 6.2.1 Other expenditure incurred to secure resignations where the school had not followed Local Authority advice
- 6.2.2 Awards by courts and industrial tribunals against the Local Authority or out of court settlements arising from action or inaction by the Governing Body contrary to the Local Authority's advice.
- 6.2.3 Any costs incurred by the Local Authority where the Local Authority is joined by the Governing Body in an action and has incurred expenditure as a consequence of the Governing Body not taking the Local Authority's advice.
- 6.2.4 Expenditure by the Local Authority in carrying out health and safety work or capital expenditure for which the Local Authority is liable but where funds have been delegated to the Governing Body for such work and the Governing Body has failed to carry out the required work.
- 6.2.5 Expenditure by the Local Authority incurred in making good defects in building work funded by capital spending from delegated budget shares where the premises are owned by the Local Authority or the school has voluntary controlled status.
- 6.2.6 Expenditure incurred by the Local Authority in insuring its own interests in a school where funding has been delegated for this purpose but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Local Authority
- 6.2.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by the school to the Local Authority
- 6.2.8 Recovery of penalties or other charges imposed on the Local Authority by the Board of Inland Revenue, the Contributions Agency, H.M.

Customs and Excise, Teachers' pensions or regulatory authorities as a result of school negligence.

- 6.2.9 Correction of Local Authority errors in calculating charges to a budget share (e.g. pension deductions.)
- 6.2.10 Additional transport costs incurred by the Local Authority arising from decisions by the Governing Body on the length of the school day, and failure to notify the Local Authority of non-pupil days, resulting in unnecessary transport costs.
- 6.2.11 Legal costs which are incurred by the Local Authority because the Governing Body did not accept the advice of the Local Authority (see Section 11).
- 6.2.12 Costs of necessary health and safety training for staff employed by the Local Authority, where funding for training had been delegated but the necessary training had not been carried out.
- 6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers and the contract is of no effect.
- 6.2.14 Costs incurred by the Local Authority in securing provision specified in a statement of ALN where the Governing Body fails to secure such provision despite the delegation of funds in respect of that statement.
- 6.2.15 Costs incurred by the Local Authority due to submission by the school of incorrect data.
- 6.2.16 Recovery of amounts spent from specific grants (e.g. SEG) on ineligible purposes.
- 6.2.17 Costs incurred by the Local Authority as a result of the Governing Body being in breach of the terms of a contract.
- 6.2.18 Expenditure incurred by the Local Authority from any action by the Governing Body which has been taken contrary to written advice by the Local Authority
- 6.2.19 Any costs incurred by the Local Authority under the Late Payment of Commercial Debt (Interest) Act 1998 as a result of inaction by schools.

## **SECTION 7**

### **TAXATION**

#### **7.1 VALUE ADDED TAX**

- 7.1.1 Schools will receive separate VAT guidance as and when required which

will give detailed advice on VAT issues, including lettings, fees and charges, fund raising and the sale of assets and VAT incurred on items of expenditure.

- 7.1.2 Generally HM Customs and Excise have agreed that VAT incurred by schools when spending any funding made available by the Authority is reclaimable by the Authority. This does not include expenditure by the governors of a VA school when carrying out their statutory responsibility to maintain the external fabric of the buildings.
- 7.1.3 Schools which choose to maintain their own bank accounts will pay their suppliers gross of VAT and charge VAT on all VATABLE income they receive. Schools will need to account for VAT paid and received on a monthly basis from the Authority, on the pro forma returns that will be provided. There are strict rules governing the recovery of VAT. Schools must adhere to the Authority's timetable (a return should be received by the seventh day of the following month) for the submission of monthly returns, which may vary from time to time due to legislative changes; otherwise schools will be liable for any penalty the Authority incurs for non compliance. Schools will receive the VAT reclaimed on their behalf.
- 7.1.4 Schools should be aware of the possible need to register with HM Customs & Excise where they undertake significant trading activities through either charitable or voluntary organisations linked to the school.

## **7.2 CONSTRUCTION INDUSTRY TAXATION SCHEME (C.I.T.S.)**

The above scheme has been reviewed and currently does not apply to works directly procured by schools and is the responsibility of schools and where the work is directly chargeable to the School delegated budget. However, any building works procured through the Authority does form part of the scheme.

- 7.2.1 The above scheme only affects contractors within the construction industry, be they companies, partnerships or individuals who are self-employed, and covers construction type work relating to installations, repairs, decorating, demolition and general building related work.
- 7.2.2 The scheme requires that contractors that satisfy certain conditions are issued with a tax certificate by the Inland Revenue which allows that person to receive payments without deduction. For any person not holding a certificate a deduction is made on account of the contractor's tax liability for labour payments.
- 7.2.3 Schools which choose to maintain their own bank accounts will need to deduct the relevant amount of tax from their suppliers as appropriate and pass the total amount deducted from contractors on to the Authority on a monthly basis, or satisfy themselves that the contractor satisfies the relevant conditions to be paid gross.

## **SECTION 8**

## **THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY**

### **8.1 PROVISION OF SERVICES FROM CENTRALLY RETAINED BUDGETS**

8.1.1 Where services are provided to schools from centrally retained funds, then the Local Authority will determine the basis of this provision. There will be no discrimination by the Local Authority in the provision of such services unless:

8.1.2 (1) Funding for the services in question has been delegated to a restricted number of schools or:

(2) The statutory duties of Governing Bodies require such discrimination to be made.

### **8.2 TIMESCALES FOR THE PROVISION OF SERVICES BOUGHT BACK FROM THE LOCAL AUTHORITY USING DELEGATED BUDGETS**

8.2.1 The term of any arrangement to buy services or facilities from the Local Authority is limited to a maximum of five years from the date of the agreement. There is no prescribed minimum period but the Authority will look to ensure best value in determining the duration of agreements to provide services.

8.2.2 When a service is provided for which expenditure cannot be retained centrally by the Authority, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differentially.

### **8.3 PACKAGING**

8.3.1 Schools are not under any obligation to purchase services or facilities from the Authority (see also para 2.16.1) and the Authority will seek not to package services in a way which might unreasonably restrict schools' freedom of choice of the services. Where practicable, provision will be offered on a service by service basis. The Authority does, however, reserve the right to package certain services or facilities together in order to be able to offer them at discounted rates to schools or to meet best value.

### **8.4 SERVICE LEVEL AGREEMENTS**

8.4.1 Denbighshire County Council will consult with schools as to those services or facilities which schools would wish to see provided by the Authority under service level agreements. It reserves the right, however, not to offer services where there is insufficient demand from schools or where the service is uneconomical or does not meet other best value requirements.

- 8.4.2 The Authority will consult with schools on an annual basis through Service Level Agreements (see also 2.16.3), giving details of the duration of each agreement, the service standards, service specifications and any packaging, optional or additional arrangements which might be available.
- 8.4.3 Services and facilities offered by the Authority through service level agreements are available to schools on an ad hoc basis (that is, for periods or at intervals of less than the duration of the agreement) but the Authority reserves the right to charge for such ad hoc services at a different rate from services provided under a service level agreement.
- 8.4.4 Services or facilities provided under a service level agreement - whether without charge or on a buy-back basis - will be reviewed at least every three years if the agreement lasts longer than that period.

## **SECTION 9**

### **PUBLIC FINANCE INITIATIVE (PFI)**

- 9.1 The PFI is one of the main mechanisms through which the public sector can provide services in partnership with the private sector.
- 9.2 Typically, a Local Authority will purchase a capital intensive service from a private sector provider over the period of a long-term contract. The service will often consist of the provision and maintenance, to a specified standard, of a facility within which an Authority's own staff deliver a core service, for example a school. The Authority pays for the service as and when it is received in amounts set in the contract. Payments will vary depending on the private sector's performance and/or the usage of the service. The contractor takes responsibility for investing in the capital assets required, financing that investment and then managing the facilities to provide the specified level of service to the Authority. The private sector takes the business risk entailed in committing to supply the service for the contracted level of payments.
- 9.3 Where a school PFI project is likely to be developed, then an appropriate agreement must be reached with the Headteacher / Governors of the School before the PFI contract is signed. The agreement will set out those service elements and costs of the Fair Funding delegated budget which will be transferred back to the Council to offset service charges under the PFI e.g. catering, cleaning, maintenance etc.

## **SECTION 10**

### **INSURANCE & RISK MANAGEMENT**

#### **10.1 INSURANCE COVER**

- 10.1.1 Funding for insurances is delegated to schools within the funding

formula. If any school seeks to purchase its own insurance cover, other than through the Authority, they would be required to demonstrate that the cover relevant to the Authority's insurable interests were at least as good as the relevant minimum cover arranged by the Authority under any arrangements entered into by the governing body. The Authority must have regard to the actual risks which might be expected to arise at the school in question in operating this requirement.

- 10.1.1 Supplementary guidance is available to schools and includes a summary of the insurances which the Authority currently holds and additional insurances which schools may obtain through the Authority if they so wish.

## **10.2 LIABILITY OF GOVERNORS**

- 10.2.1 Legislation imposes upon governors certain statutory responsibilities which they are expected to discharge. However, because the governing body of a school is a corporate body and because of the terms of s.50(7) of the SSAF Act, governors of maintained schools do not incur personal liability in the exercise of their power to spend the delegated budget share, provided they act in good faith.
- 10.2.2 The Authority provides certain insurance cover in respect of school governors.
- 10.2.3 Insurance cover provided by the Authority and the provisions in legislation relating to actions 'in good faith' do not rule out all possibilities of personal liabilities. Governors may be held personally responsible in the case of:
- (i) corrupt or deliberately irregular behaviour;
  - (ii) gross or deliberate carelessness; for example, in respect of Health and Safety matters.

## **SECTION 11**

### **MISCELLANEOUS**

#### **11.1 RIGHT OF ACCESS TO INFORMATION**

- 11.1.1 Governing bodies will be required to supply all financial and other information which might reasonably be required to enable the Authority to satisfy itself as to the school's management of its delegated budget share. This requirement does not extend to copies of internal reports to the governing body on financial matters.
- 11.1.1 As part of the audit of the Authority's accounts, any interested person may inspect the accounts (between specifically advertised dates) to be audited and all books, deeds, contracts, bills, vouchers, and receipts relating to them and make copies of all or any part of the accounts and those other documents (Public Audit (Wales) Act 2004). Schools may make a reasonable charge for this service in order to cover costs.

- 11.1.2 This includes any documents held by schools. Schools need to be aware that the Authority will require schools to provide copies of any documents held by them in a timely manner if requested to do so. The Authority will give prior notification of such requests unless this is impractical. Additional requests for information are now being received under the Freedom of Information Act 2000, which have return deadlines and for which schools will be asked to provide information held by them.

## **11.2 GOVERNORS EXPENSES**

- 11.2.1 The Local Authority is allowed to delegate to the Governing Body of a school yet to receive a delegated budget, funds to meet governors' expenses, the amount of which will be determined by the Local Authority.
- 11.2.2 Under Schedule 11 of the Act, only 'allowances' specified in Regulations may be paid to members of the Governing Body of schools financed under the provisions of this scheme from a school's delegated budget share. This would be funded at the discretion of the school from their individual budget share.
- 11.2.3 Where the Welsh Assembly Government appoints additional Governors to a school under Special Measures, there shall be no duplication of expenses already paid for by the Assembly.

## **11.3 RESPONSIBILITY FOR LEGAL COSTS**

- 11.3.1 Legal costs incurred by the Governing Body, although the responsibility of the Local Authority as part of the cost of maintaining the school (which does not include costs relating to the statutory responsibility of voluntary aided school governors for buildings) will be charged to the school's budget share unless the Governing Body chooses to invest in a pooled scheme that covers such costs. Where there is a conflict of interest between the Local Authority and the Governing Body, the Governing Body is free to obtain, at its own expense, legal advice from a third party.

## **11.4 HEALTH AND SAFETY**

- 11.4.1 Governing Bodies of schools financed under the provision of this scheme are required at all times to have due regard to duties placed upon the Local Authority in relation to Health and Safety matters and to the Authority's policy on Health and Safety in the management of the Budget share.
- 11.4.2 Further details relating to Health and Safety in schools may be found on the intranet in the Directorate's publication entitled "School Health & Safety Manual 2009".

## **11.5 RIGHT OF ATTENDANCE FOR SECTION 151 OFFICER**

- 11.5.1 Governing bodies are required to allow the Section 151 Officer of the Authority or any officer of the Authority nominated by the Section 151 Officer, to attend meetings of the governing body at which any agenda items are relevant to the exercise of his/her responsibility and to notify the Section 151 Officer of the agenda item(s) in advance.

## **11.6 DELEGATION TO NEW SCHOOLS**

- 11.6.1 The Authority is empowered to delegate selectively and optionally to the shadow Governing Bodies of schools which have yet to receive delegated budgets.

## **11.7 WHISTLEBLOWING**

- 11.7.1 Persons working at a school or school governors who wish to complain about financial management or financial propriety at the school shall do so in accordance with the Council's corporate Whistleblowing policy.
- 11.7.2 The corporate whistleblowing policy sets out in detail how to raise a concern and how the council will respond to such concerns.

## **11.8 CHILD PROTECTION**

- 11.8.1 Governing Bodies are required to release staff to attend Child Protection Case Conferences and related events regardless of whether the Local Authority makes any payment to schools to help meet the costs. It is the discretion of the LA whether funding is delegated for this purpose.

## **11.9 SCHOOL MEALS**

- 11.9.1 In discharging their duties in relation to delegated funding for school meals, governing bodies are required to have regard to any policies which the Authority might have in place in relation to school meals.

## **11.10 SPENDING BUDGET SHARE (ADDITIONAL LEARNING NEEDS)**

- 11.10.1 Schools have a statutory duty to identify and provide for the additional educational needs of their pupils. Should a school substantially and persistently breach its responsibilities in this context, the Authority may take action to suspend delegation.

## **SECTION 12**

### **RESPONSIBILITY FOR REPAIR AND MAINTENANCE**

#### **12.1 REPAIR AND MAINTENANCE OF BUILDINGS AND GROUNDS**

- 12.1.1 The categories of work which the Welsh Assembly has recommended as being the appropriate division of responsibilities between the LEA and



the Governing Body of Community and Voluntary Aided Schools is set out in the Traded Services SLA for Building Maintenance.

- 12.1.2 All funding for repairs and maintenance of schools is delegated to schools, subject to 12.1 above. Only funding in respect of capital expenditure will be retained by the Local Authority. Denbighshire Local Authority may only treat expenditure as capital if it fits the definition of capital used by the local authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting.
- 12.1.3 Voluntary Aided School Governors will continue to be eligible for grant from the Welsh Assembly for Wales in respect of their statutory responsibilities for buildings and premises. In addition they will have responsibility for other repair and maintenance items on the same basis as Community and Foundation Schools.

## **12.2 LOCAL AUTHORITY LANDLORD RESPONSIBILITIES**

- 12.2.1 As the owner of both buildings and land in schools other than Voluntary Aided or Foundation schools the Local Authority will monitor its assets in order to ensure that its responsibilities in this regard are adequately discharged in order to maintain the structure, fabric and condition of its property.

## ANNEX 1

### DENBIGHSHIRE SCHOOLS MAINTAINED UNDER THE PROVISIONS OF THIS SCHEME

Primary Schools	Official Ref. No.
Ysgol Hiraddug	2011
Ysgol Y Castell	2037
Christchurch School	2038
Ysgol Llywelyn	2039
Ysgol Y Faenol	2057
Ysgol Penmorfa	2059
Ysgol Emmanuel	2060
Ysgol Dewi Sant	2066
Ysgol Melyd	2067
Ysgol Bodfari	2070
Ysgol Bryn Hedydd	2072
Ysgol Esgob Morgan	2098
Ysgol Cefn Meiriadog	2124
Ysgol Frongoch (Junior)	2125
Ysgol Henllan	2127
Ysgol Twm o'r Nant	2134
Ysgol Bryn Clwyd	2135
Ysgol Y Parc (Infants)	2136
Ysgol Clocaenog	2163
Ysgol Gellifor	2164
Ysgol Cyffylliog	2166
Ysgol Pentrecelyn	2168
Ysgol Rhewl	2169
Ysgol Betws Gwerfil Goch	2214
Ysgol Carrog	2215
Ysgol Caer Drewyn	2216
Ysgol Bro Elwern Gwyddelwern	2219
Ysgol Y Llys	2227
Ysgol Bryn Collen	2234
Rhos Street School	2255
Ysgol Penbarras	2256
Ysgol Bro Cinmeirch	2261
Ysgol Bro Famau	2262
Ysgol Gymraeg Y Gwernant	2263
Ysgol Clawdd Offa	2264
Ysgol Bodnant Community School	2265
Ysgol Pendref	2266
Ysgol Bro Dyfyrdwy	2677
Ysgol Tremeirchion V.P.	3020
St Asaph Infants V.P.	3024
Ysgol Llanbedr Controlled	3044
Ysgol Llanfair D.C. Controlled	3045
Ysgol Borthyn Controlled	3050
Ysgol Pantpastynog Prion	3057
Ysgol Dyffryn Ial	3061
Ysgol Mair R.C.	3315
Ysgol Trefnant	3316
St Brigid's (Primary)	5900

<b>Secondary Schools</b>	<b>Official Ref. No.</b>
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Rhyl High School	4003
Prestatyn High School	4014
Ysgol Glan Clwyd	4020
Denbigh High School	4026
Ysgol Dinas Bran	4027
Ysgol Brynhyfryd	4031
Blessed Edward Jones	4601
St Brigid's	5901

<b>Special Schools</b>	<b>Official Ref. No.</b>
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Ysgol Tir Morfa	7000
Ysgol Plas Brondyffryn	7010

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**Report To:** Corporate Governance Committee

**Date of Meeting:** November 29<sup>th</sup>, 2017

**Lead Member / Officer:** Cllr Huw Hilditch Roberts

**Report Author:** Karen Evans, Head of Education and Children's Services / Geraint Davies, Principal Education Manager

**Title:** **Information Management and IT Management in schools**

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**1. What is the report about?**

1.1 *To provide an update on the work undertaken in response to the report shared originally on September 28<sup>th</sup>, 2016 and further evidence provided on January 25<sup>th</sup>, 2017 which provided details on Information Management and IT Management in schools that received a "Low" Assurance rating.*

**2. What is the reason for making this report?**

2.1 *The report is to provide information on how the Council is implementing improvements in the way schools are managing information since the issue of the Internal Audit report that gave a Low Assurance. The Corporate Governance Committee requested a progress report to ensure that issues are being addressed. This is the second progress report.*

**3. What are the Recommendations?**

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

**4. Report details**

4.1 *The internal Audit Report on September 9<sup>th</sup>, 2016 highlighted a number of areas that required improvements in the areas of Information Management and Information Technology in Schools.*

4.2 *The main issues raised in the audit report were as follows -*

- *44% of schools did not issue a Fair processing Notice*
- *18 schools did not have a Records Management Policy*
- *Some schools did not have a Data Protection Policy*
- *Most schools do not have a Social Media Policy*
- *50% of schools are not sure how to deal with Subject Access Requests*
- *Passwords are not secure enough*
- *36% of schools have no processes for sharing personal information*
- *Schools need to make further Cloud Security Considerations*
- *6 schools do not have a CCTV policy.*

4.3 *Initial improvements were made through the implementation of a Statutory Audit Tool that all schools complete. This tool provides the school and Local Authority with information on the levels of assurance in different areas of school*

management. Information Management is one area of the School Statutory Audit Tool.

4.4 The results of the audit completed by schools in December 2016 were as follows. .

	Description of Judgement
Green	Good / Excellent quality
Yellow	Acceptable Quality
Orange	Poor Quality
Red	Priority for improvements

Questions Asked	G	Y	O	R
Does the school have a Data protection Policy?	93%	0%	0%	7%
Do you notify the Information Commissioners Office annually?	73%	0%	0%	27%
Do you have an individual with responsibility for Data protection?	96%	0%	0%	4%
Do you have a system in place for securely disposing of confidential waste?	94%	0%	0%	6%
How effective is your training programme?	7%	25%	52%	16%
How effective is your Fair Processing Notice?	34%	27%	23%	16%
Do you have a CCTV policy and clear signage?	55%	23%	9%	13%
How effective is your handling of Subject Access Requests?	23%	32%	30%	15%
How secure are your databases that hold personal information?	62%	32%	0%	6%
Do you lock cupboards, filing cabinets that hold personal information?	41%	36%	16%	7%
Do you have a clear desk policy?	7%	32%	27%	34%
Do you have a Records Management Policy	66%	0%	0%	34%
Do you have an Information Breach procedure?	31%	0%	0%	69%

4.6 The audit process was clear in highlighting targeted support in certain areas and with certain schools. The following steps were taken to respond to and support schools in their Management of Information.

- All schools sent an updated Data protection Policy to adopt.
- All schools are now registered with the ICO.
- Schools have all been instructed to identify an individual with responsibility for Data protection.
- All schools understand and have access to the DCC Confidential Waste contract.
- The Information Commissioners Office delivered training to Head Teachers on February 9<sup>th</sup>, 2017.
- The Information Commissioners Office delivers training to Governors.
- Following a review due to regulatory changes a new version of the Fair Processing Notice has been issued to all schools.

- A new bilingual CCTV policy has been sent to all schools for adoption by the Governing Body.
- Training has been provided on handling Subject Access requests.
- Schools have been instructed that passwords need to be complex. Fact sheet on complex passwords and Data Security sent.
- Data Controllers in all schools have a responsibility to ensure all cabinets are locked if they hold sensitive information.
- Information on Clear Desk Policy has been sent to schools and strongly advised to adopt it.
- Records Management Policy sent to all schools to adopt.
- Information security Breach procedure sent to all schools to follow.
- New Social Media Policy has been shared with schools.
- Guidance on iCloud security provided for all schools.
- Training session on Data Security held on 15.02.17

4.7 Further training will be required when the new GDPR (General Data Protection Regulations) come into force in May 2018/

4.7 Responsibility lies with the Data Controller in each school to ensure policies and procedures are followed and during the spring / summer term 2017 10% of schools were visited to ensure the accuracy of the Information provided in the audit. The QA process confirmed that the responses from schools was an accurate reflection of the school position.

4.8 Denbighshire officers have led the development of a regional on-line audit toolkit that allows schools and the LA to monitor, support and challenge. Previously paper audits and Survey Monkey was used that resulted in a snapshot of information. We are now in a position to see, analyse and interrogate live information. Schools each have a username and password and complete the audits adding action points and deadlines. School staff, Governors and LA officers can now monitor progress and improvements offering support and challenge where appropriate. A demonstration of the online audit tool launched at Venue Cymru in September 2017 on behalf of the 6 North Wales Authorities will be offered in the meeting.

4.9 The Information management Audit was reviewed again in October, 2017 to measure the impact of the support offered. Both sets of results have been compared and are provided below.

Questions Asked	G		Y		O		R	
	Dec 2016	Oct 2017	Dec 2016	Oct 2017	Dec 2016	Oct 2017	Dec 2016	Oct 2017
Does the school have a Data protection Policy?	93%	64%	0%	34%	0%	2%	7%	0%
Do you notify the Information Commissioners Office annually?	73%	76%	0%	17%	0%	2%	27%	0%
Do you have an individual with responsibility for Data protection?	96%	83%	0%	17%	0%	0%	4%	0%

Do you have a system in place for securely disposing of confidential waste?	94%	87%	0%	11%	0%	2%	6%	0%
How effective is your training programme?	7%	24%	25%	46%	52%	24%	16%	6%
How effective is your Fair Processing Notice?	34%	46%	27%	39%	23%	9%	16%	4%
Do you have a CCTV policy and clear signage?	55%	50%	23%	13%	9%	6%	13%	8%
How effective is your handling of Subject Access Requests?	23%	37%	32%	39%	30%	13%	15%	4%
How secure are your databases that hold personal information?	62%	74%	32%	27%	0%	2%	6%	0%
Do you lock cupboards, filing cabinets that hold personal information?	41%	78%	36%	20%	16%	2%	7%	0%
Do you have a clear desk policy?	7%	24%	32%	33%	27%	35%	34%	8%
Do you have a Records Management Policy?	66%	33%	0%	35%	0%	17%	34%	15%
Do you have an Information Breach procedure?	31%	22%	0%	28%	0%	24%	69%	17%

**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 Well-being Impact Assessment? The completed Well-being Impact Assessment report can be downloaded from the [website](#) and 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?**

*Section notes: For guidance on risk assessments contact the Corporate Improvement Manager (or the Head of Business Planning and Performance).*

**11. Power to make the Decision**

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



<b>Report To:</b>	<b>Corporate Governance Committee</b>
<b>Date of Meeting:</b>	<b>November 2017</b>
<b>Lead Member / Officer:</b>	<b>Gary Williams, Monitoring Officer and Senior Responsible Officer for RIPA</b>
<b>Report Author:</b>	<b>Lisa Jones, Legal Services Manager /Deputy Monitoring Officer</b>
<b>Title:</b>	<b>Annual RIPA report</b>

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**1. What is the report about?**

An information only report regarding the Council's RIPA activities.

**2. What is the reason for making this report?**

The Statutory Code of Practice in respect of RIPA requires the Council to regularly report to members regarding its use of RIPA powers.

**3. What are the Recommendations?**

That Members note the contents of the report.

**4. Report details.**

4.1 There has been no activity in the use of these powers since the last report to this Committee; the Council has utilised these powers previously for fly tipping, environmental crimes, unlawful sales to underage persons such as alcohol or fireworks; animal welfare and so on. Applications are not made on the basis of 'fishing expeditions', the service will ordinarily be in receipt of evidence supporting the requirement for the surveillance in question.

4.2 This last reporting period, training was provided in - house to investigating officers only on the 30<sup>th</sup> March 2017, with practical case studies. A refresher training event is to be provided to the Councils' Authorising Officers (CET) next year to enable them to effectively challenge and scrutinise any application that comes before them to ensure that any covert surveillance is carried out proportionately and necessarily only.

4.3 The Council's RIPA working group has continued to meet as required, in particular where there are any changes to policy required by the Codes of Practice or Guidance issued by the Home Office or the Office of Surveillance Commissioners; in order to ensure that the Council's RIPA policy remains up to date and fit for purpose; to consider approaches to particular operations or

areas where ripa could assist any enforcement issues and to feedback any comments from any Inspection or from members of this Committee.

4.4 During 2018 this Council is likely to receive an inspection from the Office of Surveillance Commissioners and their report will be brought to this Committee once received.

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

Although no decision is required, the Council's activities under RIPA may promote our environmental priorities in that the physical environment is protected (such as fly tipping) or the economic environment (trading standards) or young or vulnerable people and their well-being are protected (under age products).

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

There are no costs involved in this report specifically.

**7. What are the main conclusions of the Well-being Impact Assessment?**

There are no well-being implications in this information only report.

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

No consultation process has been required for this report.

**9. Chief Finance Officer Statement**

A financial statement is not required.

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

In utilising its powers under this regime, the Council can risk breaching an individual's right to a private and family life as set out in the European Convention on Human Rights. Any exercise of these powers, requires the Council to set out very comprehensively, in an application to an Authorising Officer and then the Magistrates Court, those reasons and grounds for proceeding with the surveillance, which should address why it is proportionate to interfere with any human rights of an individual.

Regular training of officers who use these powers and close oversight by the Monitoring Officer of such activities reduce any risk involved. The Council is also inspected every three years by the Office of Surveillance Commissioners and the report is taken to this Committee once it is received.

**10. Power to make the Decision**

RIPA 2000 and the LGA 1972.



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**Report To:** Corporate Governance Committee  
**Date of Meeting:** 29<sup>th</sup> November 2017  
**Lead Member / Officer:** Monitoring Officer  
**Report Author:** Gary Williams  
**Title:** **Whistleblowing Policy – Annual Report**

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**1. What is the report about?**

This report is about the operation of the Council's Whistleblowing Policy since the last annual report in July 2016.

**2. What is the reason for making this report?**

This report is submitted in accordance with the Council's Whistleblowing Policy which contains a requirement that the Monitoring Officer bring a report to this Committee at least once a year on the operation of the Policy and any changes in practice introduced as a result of concerns raised under the Policy.

**3. What are the Recommendations?**

That the Committee consider and comment upon the information provided in this report.

**4. Report details**

In April 2016 Council approved an updated and amended Whistleblowing Policy. As with the previous policy there is a requirement for the Monitoring Officer to report once each year to the Corporate Governance Committee on the operation of the Policy.

Following the adoption of the Policy, there was an awareness raising exercise. The policy was placed on the intranet in the summer of 2016 and it was then communicated via the Chief Executive 's message. Officers attended the schools cluster meeting to talk about the policy and the changes that had been made. A standard presentation on whistleblowing was created to ensure a consistent message was given. This presentation was also put on the intranet. Business Partners and Specialists attended service departmental management meetings over the summer to take them through the changes in the policy and raise awareness. In March 2017 SLT agreed that the 'whistleblowing e-learning module' would be mandatory for all new starters to Denbighshire and existing employees also. The platform which hosts the modules is still being finalised and hopefully will be ready to launch in January 2018. It will be possible to report on completion rates for this module also. HR are looking at having a spotlight feature on the intranet which will focus on one policy per month in order to

highlight a new policy or changes made to a policy but also for general awareness of policies. The Whistleblowing Policy will be one of these.

The last report to the Committee was made in July 2016 and covered the period from 1<sup>st</sup> April 2015 to 13<sup>th</sup> July 2016. During that period there had been two concerns raised under the Policy.

This report covers the period from 14<sup>th</sup> July to date.

In the period covered by this report there have been no concerns raised under the Policy.

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

Robust whistleblowing arrangements support good governance throughout the Council which in turn enables effective delivery of priorities.

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

There are no direct costs associated with this report.

**7. What are the main conclusions of the Well-being Impact Assessment?**

There is no requirement for an assessment in respect of this report.

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

There have been no consultations in respect of this report.

**9. Chief Finance Officer Statement**

Robust whistleblowing arrangements help to support good governance throughout the Council.

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

In the absence of a robust and effective Whistleblowing Policy and Procedure with which employees and third parties engaging with the Council are familiar, there is a risk that concerns about malpractice will not come to the attention of the Council. It is essential that employees understand that they will be protected if they raise a concern in the reasonable belief that their report is made in the public interest.

**11. Power to make the Decision**

No decision is required.

**Report To:** Corporate Governance Committee  
**Date of Meeting:** 29 November 2017  
**Lead Member / Officer:** Lisa Lovegrove – Chief Internal Auditor  
**Report Author:** Lisa Lovegrove – Chief Internal Auditor  
**Title:** Internal Audit Update

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- 1. What is the report about?**  
This report provides an update for Corporate Governance Committee on Internal Audit's latest progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement.
- 2. What is the reason for making this report?**  
This reports provides information on work carried out by Internal Audit since the last Committee meeting. It allows the Committee to monitor Internal Audit's performance and progress as well as providing summaries of Internal Audit reports so that the Committee can receive assurance on other Council services and corporate areas.
- 3. What are the Recommendations?**  
The Committee considers the report content, assesses Internal Audit's progress and performance, and decides whether it needs any further assurance on audit reports.
- 4. Report details**  
Full details are provided in the attached update report.
- 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 Well-being Impact Assessment?**  
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.

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

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# Corporate Governance Committee Update

November 2017





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

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# Corporate Governance Committee Update

November 2017



## Introduction

1. This report provides an update on Internal Audit's latest progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement.
2. The report provides an update as at November 2017 on:
  - Internal Audit reports recently issued
  - Follow up of previous Internal Audit reports
  - Progress on Internal audit work to date in 2017–18
  - A summary of upcoming Internal Audit projects
  - Internal Audit performance standards.

## Internal Audit reports recently issued

3. The following section provides an overview of recent Internal Audit reports, including the overall Assurance Rating and the number of Risks/Issues raised in the report's action plan.

### Definitions of Assurance Rating

<b>Green</b>	High Assurance	Risks and controls well managed and objectives being achieved
<b>Yellow</b>	Medium Assurance	Minor weaknesses in management of risks and/or controls but no risk to achievement of objectives
<b>Amber</b>	Low Assurance	Significant weaknesses in management of risks and/or controls that put achievement of objectives at risk
<b>Red</b>	No Assurance	Fundamental weaknesses in management of risks and/or controls that will lead to failure to achieve objectives

### Definitions of Risks/Issues

<b>Green</b>	Low	Advisory issues discussed with managers during the audit and not included in audit reports and action plans
<b>Yellow</b>	Moderate	Operational issues that are containable at service level
<b>Amber</b>	Major	Corporate, strategic and/or cross-service issues potentially requiring wider discussion at SLT and/or CET
<b>Red</b>	Critical	Significant issues to be brought to the attention of SLT, CET, Cabinet Lead Members and Corporate Governance Committee

## Citizens Advice Denbighshire: Governance Arrangements – October 2017

- |   |                       | High Assurance |
|---|-----------------------|----------------|
| 1 | Moderate Risks/Issues |                |
| 0 | Major Risks/Issues    |                |
| 0 | Critical Risks/Issues |                |
4. From our review, we can conclude that the Alternative Service Providers (ASP) contract between the Council and Citizens Advice Denbighshire (CAD) is working effectively providing the citizens of Denbighshire with up to date advice and support. However, we have identified one issue around the provision of timely reporting to Corporate Governance Committee with financial and operational performance information to enable it to review the effectiveness of the contract.
  5. Overall we found that the CAD partnership has appropriate systems in place to ensure that information is shared between the partners through the Operational Board that meets on a monthly basis. The Board is made up of the Chief Executive Officer (CEO) and three Council Officers; although Members do not have direct representation on the CAD Board, a number of Members sit on committees and boards that work closely with CAD. This cross over means that some Members have an awareness of the CAD activities and service provided to the residents of Denbighshire.
  6. No reports have been presented to the Corporate Governance Committee to date despite the Council’s ASP Framework requiring:
    - half yearly update reports on financial and operational performance; and
    - an annual report on the CAD governance arrangements.
  7. Although contract monitoring at a service level is good, the Committee has a role to review such arrangements periodically to ensure that the Council takes appropriate action to address any issues identified. We note that the Wales Audit Office raised a similar concern in their Annual Improvement Report 2016–17 relating to another ASP arrangement.
  8. The Operational Board receive a monthly performance report and key performance indicators form a standing agenda item. Sample testing confirms

that the performance information which is being reported is accurate and the Contract and Performance Manager agrees to perform spot-checks on the accuracy of such data in future. We confirmed that the CAD risk register is regularly reviewed and maintained up to date and the Council is presented with a set of audited accounts on an annual basis and no issues were highlighted.

9. Based on the scope of our review, governance, control and risk management arrangements are working well overall with improvement possible through timely reporting of performance and financial information to Committee for review.

### Petty Cash – November 2017

- |  |                            |
|--|----------------------------|
|  | <b>Medium Assurance</b>    |
| 10. Our review found that some petty cash accounts are well administered and use good practice. However, we identified several weaknesses across all service areas surrounding petty cash processes which highlights a general lack of guidance, monitoring and maintenance of these accounts. | 3<br>Moderate Risks/Issues |
|  | 0<br>Major Risks/Issues    |
|  | 0<br>Critical Risks/Issues |
11. We have developed an action plan, in conjunction with the Finance section, to resolve these issues and therefore enable the Council to better manage the risks associated with petty cash accounts.
  12. From a previous internal audit review, we are aware that there are also a number of primary schools that operate petty cash accounts via their voluntary school fund accounts which are then reimbursed from their delegated budgets. We are seeking clarification from School Finance and Business Managers to ascertain which of the Accounts Payable accounts relate to petty cash and which relate to Voluntary School Funds.
  13. We stress that management of petty cash is an issue that requires action from all services that use them to strengthen existing controls and minimise the potential for error and/or fraud. Owing to the relatively small financial values associated with petty cash accounts, the corporate significance is relatively low and therefore we are able to provide a medium assurance rating overall.

## Corporate Communications – November 2017

- |  |   |
|--|---|
| <p>14. Overall, our review concludes that the Corporate Communications function is well managed and operating effectively. While we have identified a small number of issues which require management attention, this does not detract from the good service provided in this area.</p>  | <p><b>Medium Assurance</b></p>            |
| <p>15. The Council has recently agreed a new Communications Strategy for its Corporate Plan which clearly demonstrates how the communication element can effectively assist the Council in delivering its key priorities. Further, the Lead Officer: Destination, Marketing &amp; Communication will attend future programme board meetings for the new priorities which should ensure that communication in the context of the corporate priorities remains a priority and is embedded during project appraisal and monitoring.</p> | <p><b>3</b><br/>Moderate Risks/Issues</p> |
| <p>16. Our review found that there are few benchmarking opportunities within Wales for the Communications team to participate in; however, our comparisons with similar services in England indicate that the Council receives excellent value for money in this area, particularly in relation to service campaign activities.</p>  | <p><b>0</b><br/>Major Risks/Issues</p>    |
| <p>17. The Council undergoes an annual external assessment of the quality of its website. While performing well in most areas and regularly passing the overall assessment, it has outlined a potential weakness in relation to the accessibility of the Council’s website for people with disabilities.</p>   | <p><b>0</b><br/>Critical Risks/Issues</p> |
| <p>18. A particular strength of the Communications team is its recent work on campaign activities, evidenced in particular by the positive feedback received from several client services. As campaign management is a relatively new area of work for the team, there has been little opportunity as yet to revisit past campaigns in the wider context of the service or corporate objective to determine success and learn lessons holistically.</p>  |   |
| <p>19. Our review coincided with the launch of the Council’s new intranet platform, Linc. The new system, hosted and administered by the web team, has significantly reduced the amount of information held on the intranet and removed duplicate documents. In light of these improvements, it is now important to ensure there is a clear protocol in place for updating and amending</p>  |   |

the intranet and external webpages, which outlines roles and responsibilities of services and enables the web team to co-ordinate this work.

- 20. Over the last year, the Council has significantly increased its social media presence and good controls exist to ensure that the corporate use of such accounts presents a professional image of the Council with relevant, up to date information for our customers. While this is supported by a comprehensive social media policy, more work is required to raise staff awareness of the policy and specifically their own responsibilities in relation to personal use of social media.
- 21. Despite raising three moderate risk issues, the outcome of our review is positive and we consider that the overall service provided by the Communications team to be good, therefore we are able to provide a 'medium' assurance rating.

### Managing the Risk of Fraud & Corruption – November 2017

- 22. Public sector organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations in order to support good governance and demonstrate effective financial stewardship and strong public financial management. The Centre for Counter Fraud Studies, Plymouth University, estimates that, in 2016, the amount of fraud losses in Local Government, (excluding Benefits) amounts to 7.3 billion.
 

<b>Medium Assurance</b>	
<b>2</b>	Moderate Risks/Issues
<b>0</b>	Major Risks/Issues
<b>0</b>	Critical Risks/Issues
- 23. Our high level review provides independent assurance that the Council's mechanisms for managing the risk of fraud and corruption are mainly effective, with policies and procedures in place for dealing with fraud and reducing the likelihood of fraud losses. The Council commits to a zero tolerance approach to fraud and corruption and will optimise the publicity associated with anti-fraud activity.
- 24. Although we found a few areas for improvement, these are easily overcome but, in the meantime, we have given medium assurance until these improvements are implemented.
- 25. The Council will be also able to clearly account for the effectiveness of its counter fraud arrangements to the public, partners and national stakeholders,

which features as a core element in its Annual Governance Statement, which should include reference to the following statement:

Having considered all the principles, I am satisfied that, subject to the actions identified below, the Council has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.



## Summary of outstanding issues from Internal Audit reports

Audit Report	No. of Actions in the Audit Action Plan									Next IA F/up	Comments
	Actions Due			Actions Complete			Actions Outstanding				
<b>Community Support Services</b>											
Paris Financials	0	2	5	0	0	1	0	2	4	Jul 17	•3 <sup>rd</sup> follow up in progress
Cefndy Healthcare	0	0	7	0	0	7	0	0	0	n/a	•Now complete
Payments to External Providers	0	0	2	0	0	2	0	0	0	n/a	•Now complete
POVA	0	0	7	0	0	6	0	0	1	Aug 17	•2 follow ups carried out
<b>Education &amp; Children's Services</b>											
Governance in Schools	0	0	19	0	0	15	0	0	4	Jan 18	•2 follow ups carried out
Ysgol Mair RC	0	2	20	0	2	20	0	0	0	n/a	•Now complete
IT & IM Management in Schools	0	0	17	0	0	8	0	0	9	Sep 17	•2 <sup>nd</sup> follow up in progress
<b>Facilities, Assets &amp; Housing</b>											
Housing Rents	0	0	5	0	0	4	0	0	1	Jun 18	•4 follow ups carried out
Housing Allocations & Voids	0	0	5	0	0	4	0	0	1	Mar 17	•2 follow ups carried out
Industrial Estates	0	0	2	0	0	1	0	0	1	Oct 17	•3 <sup>rd</sup> follow up in progress
Review of On-site Income & Security at Leisure Sites	0	0	9	0	0	9	0	0	0	n/a	•Now complete
Ruthin Craft Centre	0	0	4	0	0	4	0	0	0	n/a	•Now complete
Rhyl Harbour – Review of Operational Management	0	0	4	0	0	4	0	0	0	Jun 17	•Now complete
<b>Finance</b>											
Revenues Services – in Partnership with Civica	0	0	16	0	0	12	0	0	4	n/a	•Follow up being reported as part of 2017/18 audit

Financial services	0	2	8	0	0	5	0	2	3	n/a	•Follow up being reported as part of 2017/18 audit
<b>Highways &amp; Environmental Services</b>											
Street Works	0	0	5	0	0	3	0	0	2	Oct 17	•4 <sup>th</sup> follow up in progress
Corporate Fleet Management	0	7	12	0	7	9	0	0	3	Jan 18	•3 follow ups carried out
Passenger Transport	0	0	5	0	0	2	0	0	3	Nov 17	•2 <sup>nd</sup> follow up in progress
<b>Legal, HR &amp; Democratic Services</b>											
HR Management in Schools	0	1	5	0	0	1	0	1	4	Sep 17	•2 <sup>nd</sup> follow up in progress
Management & Administration of Legal Services	0	5	7	0	5	7	0	0	0	n/a	•Now complete
<b>Planning &amp; Public Protection</b>											
Community Enforcement	0	0	9	0	0	9	0	0	0	Aug 17	•Now complete
Housing Enforcement	0	0	2	0	0	0	0	0	2	Apr 17	•2 <sup>nd</sup> follow up in progress
Parking Services	0	0	13	0	0	13	0	0	0	Aug 17	•Now complete
<b>Corporate Reviews</b>											
Corporate Procurement	0	0	5	0	0	0	0	0	5	Sep 17	•Follow up being reported as part of 2017/18 audit
Developing the Local Economy	0	1	2	0	0	2	0	1	0	Jan 18	•1 follow up carried out
IT Access Management	0	2	8	0	1	3	0	1	5	Jun 17	•4 <sup>th</sup> follow up in progress
Physical Security of information	0	3	3	0	1	2	0	2	1	Apr 17	•2 <sup>nd</sup> follow up in progress
Sickness Absence	0	0	9	0	0	7	0	0	2	Sep 17	•4 <sup>th</sup> follow up in progress
Corporate Safeguarding	0	0	19	0	0	18	0	0	1	Sept 17	•4 <sup>th</sup> follow up in progress



## Progress in delivering the Internal Audit Assurance 2017-18

26. The following table shows a summary of Internal Audit's work to date for this year. As the new Internal Audit Strategy has an 'organic' plan, this table will be added to during the year as more projects commence.
27. Where projects have been completed since 1 April 2017, the table provides assurance ratings and number of issues raised for the completed reviews.
28. The following projects have not yet commenced but are scheduled for the coming months:
- Public Conveniences
  - CCTV Partnership
  - Catering
  - Pooled Budgets
  - Court of Protection

Internal Audit Assurance Plan Areas of Work	2017-18 Days to Date	Likely Outturn Days	Current Status of Work	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
<b>2017-18 Projects</b>								
Corporate document retention	32	32	Complete	Low	0	3	1	
Modernising the Council to deliver efficiencies and improve services for our customers	48	50	Complete	Medium	0	0	2	
Highways asset management – Improving our roads	13	14	Complete	Medium	0	0	2	
AONB Grant	2	2	Complete	n/a				Certification of grant – no report issued
Welsh Government Grants	12	13	Complete	n/a				Certification of grant – no report issued
ALN & Inclusion / Recoupment & Out of County Placement / Special Education	8	40	On hold until January 2018					Head of Service request to delay start review while the service is undergoing a restructure.
Citizens Advice Bureau – Governance Arrangements	16	16	Complete	High	0	0	1	
Corporate Communications	24	24	Complete	Medium	0	0	3	
Revenues Services	56	60	Closing meeting					
Settlement Agreements	18	20	Closing meeting					

Internal Audit Assurance Plan Areas of Work	2017-18 Days to Date	Likely Outturn Days	Current Status of Work	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Procurement	25	30	In progress					Joint audit with Flintshire County Council of the shared service
Travel and Subsistence	6	10	In progress					
Financial Services 2017/18	6	50	In progress					
Court of protection	3	15	Scoping					
CCTV Partnership	5	10	Scoping					
Public Conveniences	0	10	Scoping					
Catering	0	15	Scoping					
<b>Projects Brought Forward from 2016-17</b>								
Corporate risk management assurance	6	10	Complete	High	0	0	0	
Financial assurance 2016-17	33	33	Complete	Medium	0	0	5	
Petty cash review	27	30	Complete	Medium	0	0	3	
<b>Fraud &amp; Corruption Work</b>								
National Fraud Initiative	32	40	In progress					
Managing the Risk of Fraud & Corruption Phase 1	11	11	Complete	Medium	0	0	2	

Internal Audit Assurance Plan Areas of Work	2017-18 Days to Date	Likely Outturn Days	Current Status of Work	Audit Assurance	No. of Critical Issues	No. of Major Issues	No. of Moderate Issues	Comments
Managing the Risk of Fraud & Corruption Phase 2	8	13	In progress					
<b>Follow-up Reviews</b>								
IA project follow-ups	77	100	In progress					
Management of follow-ups	4	8						
<b>Other Areas of Work</b>								
School Fund admin & audits	28	35	In progress					
Corporate Governance Framework 2017-18	1	10	Not started					
Corporate working groups	7	10	In progress					
Consultancy & corporate areas	23	40	In progress					
<b>IA Support &amp; Management</b>								
Team Meetings / 1:1s	26	40						
Management	48	60						
Training & development	34	40						
<b>Total Days</b>	<b>639</b>	<b>859</b>						

## Internal Audit performance standards

29. Internal Audit measures its performance in two key areas:

- Follow-up audit work – Two measures to ensure that Internal Audit carries out its follow-up work promptly and that services implement agreed improvement actions.
- Customer Standards – A range of indicators to ensure that Internal Audit delivers a good service to its customers.

30. The table below shows Internal Audit's performance to date for 2017/18.

Internal Audit commences follow-up reviews in the planned month

Targets – Excellent 100% – Good 90% – Acceptable 80%

**Current performance 100%**

Services have implemented agreed improvement actions from Internal audit reviews

Targets – Excellent 75% – Good 70% – Acceptable 65%

**Current performance 66%** – Performance will be cumulative during the year and should improve as the year goes on.

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

Targets – Excellent 99% – Good 95% – Acceptable 90%

**Current performance 100 %**

Send customers the agreed Project Scoping Document before we commence work

Targets – Excellent 99% – Good 95% – Acceptable 90%

**Current performance 100 %**

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

Targets – Excellent 99% – Good 95% – Acceptable 90%

**Current performance 100%**

Send the customer our final audit report within 5 working days of draft agreement

Targets – Excellent 99% – Good 95% – Acceptable 90%

**Current performance 100%**



**Report To:** Corporate Governance Committee

**Date of Meeting:** 29 November 2017

**Lead Member / Officer:** Alan Smith – Head of Business Improvement & Modernisation

**Report Author:** Lisa Lovegrove – Chief Internal Auditor

**Title:** Governance Improvement Plan Update

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**1. What is the report about?**

This report provides an update on progress in implementing the governance improvement plan that accompanied the Annual Governance Statement 2016/17.

**2. What is the reason for making this report?**

This report is to provide information on how the Council is implementing improvements in governance arrangements since the issue of the Annual Governance Statement in July 2017.

**3. What are the Recommendations?**

The Committee to review and comment on progress.

**4. Report details**

Appendix 1 is the Governance Improvement Action Plan, which shows good progress in implementing the action plan with two actions completed ahead of schedule and three on course to meet their deadline.

Internal Audit has completed its review of 'Citizens Advice Denbighshire' to review the governance arrangements of the alternative service provider and gave a High Assurance overall. The first phase of the 'Managing the Risk of Fraud' review against the Cipfa code of practice is complete with the second phase in progress that is focusing on staff awareness and adoption of relevant policies and procedures. Proposed improvements identified by the WAO in its report '*Savings Planning – Denbighshire County Council*' are in place, specifically: an income charging policy and risk rating of savings is now built into the budget process.

There are still some areas in progress, which are all on course to achieve their expected deadline of March 2018. A council policy for staff taking personal data off-site has been drafted and is out to consultation, and a range of actions are planned in response to the WAO report '*Good governance when determining significant service changes – Denbighshire County Council*'.

**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.

## Appendix A - Governance Improvement Action Plan

Improvement Area	Action	Current Status
<p>To ensure that there are robust governance arrangements for services provided by alternative service providers, the Head of Internal Audit had planned to review the Citizens Advice Bureau service arrangements in 2016-17. Due to changes in the team's capacity during the year, this review will now take place in 2017-18.</p>	<p>The Citizens Advice Bureau service arrangements will be reviewed in 2017-18. <b>Chief Internal Auditor by 31 March 2018</b></p>	<p>Review of Citizens Advice Denbighshire's governance arrangements is complete and given a high assurance rating overall. See Internal Audit Progress Report for further details. <b>Complete</b></p>
<p>The Council has not undergone a review to assess the robustness of its counter-fraud and anti-corruption arrangements.</p>	<p>The Council's overall arrangements for managing the risk of fraud and corruption will be reviewed in 2017-18. <b>Chief Internal Auditor by 31 March 2018</b></p>	<p>The first phase of our review of Managing the risk of Fraud against the CIPFA Code of Practice is complete. See Internal Audit Progress Report for details. Phase 2 of the Managing the Risk of Fraud review is in progress. On course to meet March 2018 deadline.</p>
<p>The WAO report '<i>Savings Planning - Denbighshire County Council</i>' identified two proposals for improvement to strengthen financial arrangements:</p> <ul style="list-style-type: none"> <li>• Develop an income generation/charging policy</li> <li>• Formally risk rate savings according to achievability and identify sustainable mitigating actions for those classified as high risk.</li> </ul>	<p>Implement proposals for improvement arising from the WAO report '<i>Savings Planning - Denbighshire County Council</i>' <b>Head of Finance by 31 March 2018</b></p>	<p>Both proposals for improvement have been implemented:</p> <ul style="list-style-type: none"> <li>• Income policy was approved by Cabinet and forms part of the budget process;</li> <li>• Risk rating of savings has been incorporated into the budget process for 2018/19.</li> </ul> <p><b>Complete</b></p>

Improvement Area	Action	Current Status
<p>The WAO report '<i>Good Governance when determining significant service changes - Denbighshire County Council</i>' identified one improvement:</p> <ul style="list-style-type: none"> <li>The Council's governance arrangements could be strengthened by consistent, timely monitoring of the impact of each significant service change.</li> </ul>	<p>Implement improvements to strengthen arrangements to ensure consistent, timely monitoring of the impact of each significant service change.</p> <p><b>Head of Business Improvement &amp; Modernisation by 31 March 2018</b></p>	<p>There are a range of actions planned:</p> <ul style="list-style-type: none"> <li>Version 2 of the Well-Being Impact Assessment will contain strengthened analysis of Equality Impacts.</li> <li>Scrutiny Committees will be updated with the Actions agreed at Service Challenges.</li> <li>New programme Boards will play an active role in monitoring the impact of changes made to services as part of the Corporate Plan.</li> </ul> <p>All in place by March 2018</p>
<p>The ICO recommended that the Council should develop a formal policy on staff taking personal data relating to their clients out of the office.</p>	<p>Develop a Council policy in this area. Initial thinking is that it will raise some technology-based issues, especially in Community Support Services, where the Council or its partners still use some paper systems. It may be necessary to tackle these in a phased way, perhaps in line with more general initiatives to digitise the Council's processes.</p> <p><b>Business Information Team Manager by 31 March 2018</b></p>	<p>A policy has been drafted and is currently being consulted on through the newly formed Information Governance Group.</p> <p>On course to meet March 2018 deadline.</p>

<b>Report To:</b>	Corporate Governance Committee
<b>Date of Meeting:</b>	29 November 2017
<b>Lead Member / Officer:</b>	Lisa Lovegrove – Chief Internal Auditor
<b>Report Author:</b>	Lisa Lovegrove – Chief Internal Auditor
<b>Title:</b>	Internal Audit Self-Assessment against the Public Sector Internal Audit Standards (PSIAS)

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**1. What is the report about?**

This report provides the result of the internal audit self-assessment against the Public Sector Internal Audit Standards.

**2. What is the reason for making this report?**

The Public Sector Internal Audit Standards requires the Chief Internal Auditor to develop and maintain a quality assurance and improvement programme to evaluate conformance with the Standards.

A quality assurance and improvement programme is designed to enable an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. The Committee has a key role in the quality assurance and improvement program to provide oversight.

**3. What are the Recommendations?**

The Committee to comment on the content of the report and approve the Quality Assurance & Improvement Action Plan (Appendix 1).

**4. Report details**

The Head of Internal Audit carried out a self-assessment of the Internal Audit Service against the PSIAS in 2014/2015. This was reviewed and updated to reflect the current arrangements. The result was positive overall and demonstrates that the Internal Audit Services 'generally conforms' to a majority of the standards. It highlighted a few areas of 'partial conformance' with the standards which are included in the Quality Assurance & Improvement Action Plan in Appendix 1.

In accordance with the standards, external assessments must be completed at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The Welsh Chief Auditor's Group has collaborated to adopt a peer review approach, whereby the self-assessment will be validated by an external assessor. The external assessment of Denbighshire Council Council's Internal Audit Service will be carried out by the chief audit executive of Gwynedd County Council in the spring 2018.

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.

## Quality Assurance & Improvement Action Plan

Action No.	PSIAS Reference	Improvement Area	Proposed Action	Responsibility	Timescale
1.	1310 - Requirements of the Quality Assurance and Improvement Programme	Does the Quality Assurance & Improvement Programme include both internal and external assessments?	An external assessment will be carried out by the Chief Audit Executive from Gwynedd County Council in accordance with the Welsh Chief Auditor's Group peer review arrangements.	Chief Internal Auditor	31 March 2018
2.	1320 - Reporting of the Quality Assurance and Improvement Programme	Has the Chief Audit Executive reported the results of the external assessment to senior management and the board?	The results of the external assessment to be presented to the Corporate Governance Committee.	Chief Internal Auditor	23 May 2018
3.	1320 - Reporting of the Quality Assurance and Improvement Programme	Has the results of ongoing monitoring of the quality and assurance programme and progress against the improvement plan been communicated at least annually?	Progress made against the quality assurance improvement programme to be included in the Internal Audit Annual Report.	Chief Internal Auditor	23 May 2018

# PSIAS Self-Assessment

Action No.	PSIAS Reference	Improvement Area	Proposed Action	Responsibility	Timescale
4.	1320 - Reporting of the Quality Assurance and Improvement Programme	Do the results include the assessor's or assessment team's evaluation with regards to the degree of the internal audit activity's conformance with the PSIAS?	The external assessment results will be reported in the Internal Audit Annual Report.	Chief Internal Auditor	23 May 2018
5.	1322 - Disclosure of Non-Conformance	Has the Chief Audit Executive reported instances of non-conformance with the PSIAS to the board?	Any instances of non-conformance will be reported to the Corporate Governance Committee and any significant deviations will be included in the Annual Governance Statement.	Chief Internal Auditor	As required
6.	2450 - Overall Opinion	Does the annual report incorporate: a) A statement of conformance with the PSIAS? b) The result of the QAIP? c) Progress against any improvement plans resulting from the QAIP?	The Internal Audit Annual Report to incorporate a statement of conformance with the PSIAS and progress against any improvement plan resulting from the Quality Assurance & Improvement Programme.	Chief Internal Auditor	23 May 2018



## Corporate Governance Committee Forward Work Programme

<b>24 JAN 2018</b>		<b>Standing Items</b>	
	1	Issues Referred by Scrutiny Committees (if any)	Scrutiny Coordinator – Rhian Evans
	2	Recent External Regulatory Reports Received (if any)	Head of Business Improvement & Modernisation– Alan Smith, Nicola Kneale
	3	Internal Audit Update	Chief Internal Auditor– Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		<b>Reports</b>	
	5	Outside Bodies Report	Head of Legal, HR and Democratic Services- Gary Williams
	6	GDPR	Head of Business Improvement & Modernisation– Alan Smith, Legal Service Manager –Lisa Jones
	7	School Finance Regulations	Head of Finance – Richard Weigh
<b>MAR 2018</b>		<b>Standing Items</b>	
	1	Issues Referred by Scrutiny Committees (if any)	Scrutiny Coordinator – Rhian Evans
	2	Recent External Regulatory Reports Received (if any)	Head of Business Improvement & Modernisation– Alan Smith, Nicola Kneale
	3	Internal Audit Update	Chief Internal Auditor– Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		<b>Reports</b>	
<b>25 APR 2018</b>		<b>Standing Items</b>	
	1	Issues Referred by Scrutiny Committees (if any)	Scrutiny Coordinator – Rhian Evans
	2	Recent External Regulatory Reports Received (if any)	Head of Business Improvement & Modernisation– Alan Smith, Nicola Kneale
	3	Internal Audit Update	Chief Internal Auditor– Lisa Lovegrove
	4	Forward Work Programme	Democratic Services

## Corporate Governance Committee Forward Work Programme

		<b>Reports</b>	
<b>6 JUNE 2018</b>		<b>Standing Items</b>	
	1	Issues Referred by Scrutiny Committees (if any)	Scrutiny Coordinator – Rhian Evans
	2	Recent External Regulatory Reports Received (if any)	Head of Business Improvement & Modernisation– Alan Smith, Nicola Kneale
	3	Internal Audit Update	Chief Internal Auditor– Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		<b>Reports</b>	
<b>11 JULY 2018</b>		<b>Standing Items</b>	
Page 98	1	Issues Referred by Scrutiny Committees (if any)	Scrutiny Coordinator – Rhian Evans
	2	Recent External Regulatory Reports Received (if any)	Head of Business Improvement & Modernisation– Alan Smith, Nicola Kneale
	3	Internal Audit Update	Chief Internal Auditor– Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		<b>Reports</b>	
<b>26 SEPT 2018</b>		<b>Standing Items</b>	
	1	Issues Referred by Scrutiny Committees (if any)	Scrutiny Coordinator – Rhian Evans
	2	Recent External Regulatory Reports Received (if any)	Head of Business Improvement & Modernisation– Alan Smith, Nicola Kneale
	3	Internal Audit Update	Chief Internal Auditor– Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		<b>Reports</b>	
<b>21 NOV 2018</b>		<b>Standing Items</b>	

## Corporate Governance Committee Forward Work Programme

	1	Issues Referred by Scrutiny Committees (if any)	Scrutiny Coordinator – Rhian Evans
	2	Recent External Regulatory Reports Received (if any)	Head of Business Improvement & Modernisation– Alan Smith, Nicola Kneale
	3	Internal Audit Update	Chief Internal Auditor– Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		<b>Reports</b>	

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

Revised 03.10.2017 SJ

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