

To: Members of the Corporate
Governance Committee

Date: 15 November 2018

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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, 21 NOVEMBER 2018** in **CONFERENCE ROOM 1A, COUNTY HALL, RUTHIN.**

Yours sincerely

G. Williams
Head of Legal, HR and Democratic Services

AGENDA

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

1 APOLOGIES

2 DECLARATION OF INTERESTS (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 26 September 2018 (copy enclosed).

5 INTERNAL AUDIT UPDATE (Pages 15 - 42)

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

6 ANNUAL GOVERNANCE STATEMENT (Pages 43 - 48)

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 2018.

7 EXTERNAL ASSESSMENT OF INTERNAL AUDIT (Pages 49 - 60)

To consider a report by the Chief Internal Auditor (copy enclosed) which provides information for the Committee to enable it to contribute to the external quality assessment of internal audit that takes place at least once every five years in order to meet its Terms of Reference and to receive assurance that Internal Audit complies with the Public Sector Internal Audit Standards

8 UPDATE REPORT - PROJECT MANAGEMENT OF 21ST CENTURY SCHOOLS (Pages 61 - 62)

To consider a report by the Chief Internal Auditor (copy enclosed) which provides an update on how progress in implementing the major risk action relating to Project Management of 21st Century Schools that featured within the Internal Audit Update report which was presented to this Committee in June 2018.

9 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME (Pages 63 - 66)

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

10 ANNUAL REPORT ON WHISTLE BLOWING (Pages 67 - 72)

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.

MEMBERSHIP

Councillors

Mabon ap Gwynfor
Tony Flynn
Martyn Holland

Alan James
Barry Mellor
Joe Welch

Lay Member

Paul Whitham

COPIES TO:

All Councillors for information
Press and Libraries
Town and Community Councils

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LOCAL GOVERNMENT ACT 2000

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>	Denbighshire County Council
CONFIRM that I have declared a *personal / personal and prejudicial 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, 26 September 2018 at 9.30 am.

PRESENT

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

Lay Member Paul Whitham

Councillor Julian Thompson Hill, Lead Member for Finance, Performance and Strategic Assets was in attendance.

Observer: Councillor Mark Young

ALSO PRESENT

Head of Legal, HR & Democratic Services (GW), Head of Finance (RW), Chief Internal Auditor (LL), Head of Business Improvement & Modernisation (AS), Corporate Health and Safety Manager (GL), Lead Officer – Strategic Asset Management (TB), Lead Officer - Contracts & Facilities (NH), Lead Officer - Community Housing (GD), Cleaning Manager - South & Public Convenience/Void Cleaning (MJ) and Committee Administrator (SJ)

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

1 APOLOGIES

Apologies for absence were received from Councillor Tony Flynn.

2 DECLARATION OF INTERESTS

Lay member Paul Witham declared a personal interest in agenda item 5 – Annual Health and Safety report as reference to the school his Granddaughter attended was within the report.

3 URGENT MATTERS

No urgent matters were raised.

4 MINUTES

The minutes of the Corporate Governance Committee held on 11 July 2018 were submitted.

Agenda item 9 – Internal Audit of Health and Safety in Schools – Members noted that the minutes should read ‘governance of health and safety in schools lay with the school governors’ and not ‘lied’ as stated in the report.

RESOLVED that subject to the above, the minutes of the Corporate Governance Committee meeting of 11 July 2018 be received and approved as a correct record.

5 ANNUAL HEALTH AND SAFETY REPORT

The Lead member for Finance, Performance and Strategic Assets presented the Annual Health and Safety Report (previously circulated). The Lead Member stated the overall assessment for the health and safety team had been yellow, with a good history of health and safety works in Denbighshire.

The Corporate Health and Safety Manager (CHSM) guided members through the Annual Health and Safety report providing members with an update on the Health and Safety management within the Council from the perspective of the Corporate Health and Safety team.

The CHSM advised the report had provided an annual summary of issues identified and discussed over the last year. During consideration of the report the following matter was discussed in more detail-

Accident Statistics –

The CHSM confirmed that communication with officers and Denbighshire employees to report incidents had continued. The number of incidents reported had gone up due to more individuals and teams reporting incidents to the health and safety team. Advice and guidance had been given to all schools to aid in reporting incidents. The responsibility of reporting incidents remained with the school. The high number of incidents reported in the Nova centre in Prestatyn, had been observed as staff had reported all incidents that occurred. The majority of incidents that had been reported had been observed in the children’s play centre. The CHSM confirmed he was pleased to see incidents reported as it demonstrated staff had training on the process. Work had continued to secure the multi-story car park in Denbigh. CCTV systems had been updated and the lower levels of the car park secured at night to prevent individuals accessing the site. Work with the car park team had continued.

Work to improve the safety at Rhyl Library had continued. An increase in incidents reported at the site had been observed following the introduction on the one stop shop and revenues and benefits office. Work with the local police and residents had commences.

A large amount of work around health and safety in schools had continued. Site visits had continued at schools and guidance issued to head teachers. Members proposed a letter be sent to all schools to highlight the importance of reporting incidents and to maintain a positive working relationship with the health and safety team in Denbighshire. Also in response to the Internal Audit report on Health and Safety in Schools.

The Chair thanked the Corporate Health and Safety Manager for the report and for the clear responses to member questions.

RESOLVED that,

- *the Corporate Governance Committee receive the report, note its contents and endorse the Corporate Health and Safety team Work plan for 2017/18 and*
- *a letter be sent to all schools to highlight the need to report incidents.*

6 WAO - ANNUAL AUDIT ENQUIRIES 17/18

The Head of Finance introduced the Audit Enquiries 2017/18 report (previously circulated) to inform Members of the Council's response.

Wales Audit Office (WAO), as Denbighshire County Council'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. It was confirmed that no issues with the responses had been raised.

The Chair thanked the Finance department and the 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.

7 APPROVAL OF STATEMENT OF ACCOUNTS

The Lead Member for Finance, Performance and Strategic Planning, introduced the Approval of Statement of Accounts 2017/18 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 2017/18 were approved, subject to audit, by the Head of Finance on 15 June 2018. The draft accounts were presented to Corporate Governance on 11 July 2018 and were open to public inspection from 9 July to 3 August 2018.

The Head of Finance guided members through the report and thanked the numerous officers and teams for the work that had been put into the completion of the accounts in line with the new time frames. Work had continued to improve the Asset Register to improve and ensure a robust procedure in the future.

The WAO representative echoed the praise and congratulated officers for the work completed. Anthony Veale the WAO representative introduced the Wales Audit Office - Audit of Financial Statements Reports. He informed members of the process and timescale involved in producing the reports. It was stated that all recommendations had been included within the report including the work on the Asset Register with progress to date noted. The issues surrounding the Asset Register had been noted and a work plan to address the issues had been established.

General discussion took place, during discussions members noted the importance of the new timescales and the difficulty faced in ensuring these would be met in future years. It was highlighted that no public representations had been received this year. Budget commitments to the previous Corporate Plan had been stored in the Corporate Plan reserves and would remain there until required year on year. Questions regarding the 'Travelodge' site in Rhyl were raised. The Head of Finance confirmed that funding to complete works at the site for development had to take place to ensure flood levels were adequate for work. He was hopeful a return on the land in rent would be achieved.

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

The Head of Finance expressed his thanks to Anthony Veale, WAO. Members were informed that Anthony would no longer represent WAO at Denbighshire. Praise was given to him for his contributions to the Committee and good wishes for his new position.

Anthony Veale thanked the committee for the support that had been given during his time working alongside members and officers.

RESOLVED that:

- *the Corporate Governance Committee approve the Statement of Accounts 2017/18, which is Appendix 1 to the report, and*
- *the Chair and Head of Finance Officer sign the Accounts and the Letter of Representation.*

8 BUDGET PROCESS UPDATE

The Lead member for Finance, Performance and Strategic Planning, introduced the Budget Process report (previously circulated). He confirmed that over the last twelve months, 4 member budget briefing sessions had taken place. The Lead member guided committee members through the report, it was highlighted that a board be established to,

- Define and deliver a Medium Term Financial Strategy to the end of 2022/23
- Ensure a balanced budget can be set each financial year within the programme
- Support the delivery of Corporate Priorities
- Provide a managed approach to becoming a smaller, well-run council

It had been decided to refer to the board as the Reshaping the Council Board. The Terms of reference of the board had been included as appendix 1 to the report. The non-decision making board included senior officers and Lead members.

The Head of Finance (HOF) confirmed the board had been created to ensure Denbighshire delivered a balanced budget. The report provided members with an overview of the process. The HOF confirmed that any periodic updates of the board or process would be presented to the committee.

Members requested that the date of the proposed next briefing session be decided and circulated as soon as agreed.

The Chair and committee members welcomed the report and thanked the officers for the work to date.

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

At this junction (11:05 a.m.) there was a 10 minute break.

Meeting reconvened at 11:15 a.m.

9 WAO ANNUAL IMPROVEMENT REPORT

The Wales Audit Office representative (GB) introduced the report (previously circulated) and explained its contents. He explained the report had been created to summarise audit work by the Wales Audit Office (WAO) including studies on Governance, Information Management and the use of resources. The report was overall very positive about the Council with no significant recommendation for

change. The WAO representative expanded on the proposals for improvement that had been included in the report. Members agreed that the proposals for improvement be monitored.

During consideration of the report the following matters was discussed in more depth-

- Damp and condensation in properties – Further work into the complex area of damp and condensation in properties was highlighted. Members suggested the WAO report ‘Service User Perspective Review’ be presented at the next Chairs and Vice-Chairs meeting for further discussion. The Housing Officer welcomed the report from WAO and confirmed work had commenced to address conditions the community had reported.
- Cabinet Members work- Members highlighted the work of Cabinet Members presented at Cabinet. Observations were discussed regarding the difference in the number of reports presented by different Cabinet members. The Monitoring Officer confirmed that the report had been discussed by the Leader at the previous Chairs and Vice- Chairs of Scrutiny meeting as it related to Scrutiny. Members were informed that the Leader had discussed the report with Cabinet Members.

The Chair thanked the WAO and officers for presenting the Annual Work report.

RESOLVED that,

- I. the Corporate Governance Committee received the report and notes its contents and*
- II. The ‘WAO Report – ‘Service User Perspective Review’ be presented at the next Chair and Vice- Chair group meeting for discussion.*

10 INTERNAL AUDIT UPDATE

The Chief Internal Auditor (CIA) introduced the report (previously circulated) updating members on the Internal Audit Team’s 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. It allowed the committee to monitor Internal Audit’s performance and progress as well as providing summaries of Internal Audit reports. The CIA guided members through the reports which provided an update as of September 2018 on –

- Internal audit reports recently issued i.e. Catering Services;
- Progress on Internal Audit work to date in 2018-19;
- Progress on counter fraud work;
- Results of the National Fraud Initiative 2016-17 exercise; and
- Update on Internal Audit performance against set standards.

The following matters were discussed in more detail –

- The level of sample checks on the VERTO system – the CIA confirmed that no set limit on the number of samples checked had been set.

- Schools with voluntary school fund certificates - Preparation into school visits had commenced. The CIA explained that due to staff changes schools had overdue certificates, some dated from 2011. A summary report would be presented back to the committee once visits had concluded.
- Cross checking and monitoring of the single person discount scheme for council tax had continued. Members agreed that it continued to be a difficult area to manage.
- Housing tenancy fraud – The CIA confirmed that work on Housing tenancy fraud had been scheduled for this year.
- Free school meals in schools – a team had been established to go to schools to discuss and work with schools and parents in meal arrears. The CIA confirmed that work to reduce the level of arrears was ongoing. Children in schools would continue to have a meal provided. Members were pleased to observe work with schools and parents had been adopted to minimise arrears.

The CIA concluded with an update on the CIPFA guidance for Audit Committees. Members were guided through a PowerPoint presentation of progress made to date. It was confirmed that -

- A CIPFA Guidance Working group had met in June 2018
- Self-assessment had been distributed to committee members and responses received
- Review of Terms of reference – to compare existing terms to recommended terms by CIPFA.

Members were pleased to receive the update and information to date. Further updates and information would be presented to members as needed.

The Chair thanked the CIA for updating members on progress to date.

RESOLVED that the Corporate Governance Committee receive the Internal Audit update report and note its contents, and note the contents on the CIPFA update.

11 UPDATE REPORT - PUBLIC CONVENIENCES

The Chief Internal Auditor (CIA) introduced the report (previously circulated). The report provided members with information relating to the implementation of the action plan that accompanied the Internal Audit report on Public Conveniences in April 2018.

The CIA presented the report which provided information on how the Council was implementing improvements in Public Conveniences. The Internal Audit follow up action plan appendix 1 indicated progress had been made with implementing the issues and risks identified by Internal Audit.

All four issues raised in the original Audit have now been successfully resolved. Improvements carried out to income collection, reconciliation and security arrangements, also mean that the risk of fraud occurring or going undetected had been reduced, guidelines had been put in place to direct correct practices.

The CIA confirmed improvements had been carried out resulting in the Internal Audit assurance rating being increased from a low to high.

Members were pleased with the progress made. Praise was given for the hard work in improving public conveniences following the report. Confirmation that new policies and procedures had been produced and shared with officers.

RESOLVED that the update report be received by the Corporate Governance Committee and its contents noted.

12 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

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

The Monitoring Officer informed members that the Annual RIPA Report due at the next Corporate Governance Committee meeting may have to be deferred. A new method of assessment had been introduced, thus meaning the relevant information for the report may not be available for the next meeting. The Monitoring Officer stated confirmation would be given closer to the date of the next meeting.

The WAO confirmed the dates for the 2019 meetings were in line with the final dates for approval of statement of accounts but would need to be monitored and amended in subsequent years.

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

The meeting concluded at 12:35 p.m.

Report To: Corporate Governance Committee

Date of Meeting: 21 November 2018

Lead Member / Officer: Lisa Lovegrove – Chief Internal Auditor

Report Author: Lisa Lovegrove – Chief Internal Auditor

Title: Internal Audit Update

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?

To provide information on the 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

Appendix 1 report provides an update as at the end of October 2018 on:

- Internal audit reports recently issued i.e. Housing Rents and Welsh Transport Grants;
- Progress on Internal Audit work to date in 2018-19;
- Progress on implementing agreed actions from assurance projects;
- Update on Internal Audit performance against set standards; and
- Update on progress with the CIPFA Good Practice for Audit Committees.

Appendix 2 report provides a list of the outstanding internal audit actions as at 7 November 2018 as recorded on verto (performance management system), along with the latest service updates.

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

There is no decision required with this report. There is no direct contribution to the Corporate Priorities, but some projects in the audit plan will review Corporate Priority areas and will provide assurance on their delivery.

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

Not applicable - there is no decision or costs attached to this report.

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

Not applicable - this report does not require a decision or proposal for change.

- 8. What consultations have been carried out with Scrutiny and others?**
Not required.
- 9. Chief Finance Officer Statement**
There are no financial implications attached to this report.
- 10. What risks are there and is there anything we can do to reduce them?**
The work of internal audit gives assurance to the council on the adequacy and effectiveness of controls in place to manage and mitigate risks.
- 11. Power to make the Decision**
Not applicable - there is no decision required with this report.

Internal Audit Update

November 2018

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 the end of October 2018 on:
 - Internal Audit reports recently issued;
 - Progress on Internal Audit work to date in 2018–19;
 - Progress with implementing agreed actions;
 - Internal Audit performance standards.

Internal Audit reports recently issued

This 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.

Housing Rents – September 2018

Medium Assurance	
4	Moderate risks/issues
0	Major risks/issues
0	Critical risks/issues

3. Overall, housing rents is well managed, but there are a few weaknesses that need to be addressed.
4. An issue raised previously around service continuity has not been fully addressed due to changes in staffing. Policies and procedures have still not been reviewed and in light of: the new OPEN Housing system, current staff absences, new staff or staff changing responsibilities; staff may be unclear of the procedures they should follow to ensure compliance with legislation.
5. There are two review teams within housing rents who are responsible for ensuring all new legislation and potential changes to the service are identified early, the most notable recent change being the Welfare Reform Act. Tenants are kept informed of changes with regard to Welfare Reform including the introduction of Universal Credit. The team has carried out a profiling exercise of tenants to ascertain how many will be affected by Welfare Reform: 'pop up shops' have been in operation, and the housing website has been maintained with current housing rents information. While it is appreciated that not all

tenants may attend the meetings or visit the website, the service is providing the necessary information.

6. At the time of our review, the OPEN Housing system went live to replace the previous Housing IT system. The OPEN Housing system benefits from having a General Data Protection Regulation (GDPR) module, and the Senior Business Systems Officer and the Income Manager Team Leader are currently reviewing the retention periods to ensure that data is deleted when it should.
7. The review has confirmed that income is collected and allocated to the tenants' accounts promptly and tenants are being encouraging to pay by direct debit. Although no independent checks around direct debit have been completed, we are satisfied that other controls in place are sufficient to ensure that the bank details and rent account reference is correct. Income reconciliation continues to be well managed and monitored.
8. During our testing we noted arrears balances have increased slightly from previous years, but levels continue to be well managed. We highlighted an issue relating to accuracy of arrears report following the introduction of the new system, which the service is aware of and addressing. Arrears are written off in line with Financial Regulations and only after exhausting all other avenues to recover the debt.
9. The service monitors performance and benchmarks against other Councils and continues to perform well in the areas of: arrears as a percentage of annual rent debt.
10. Overall, four issues have been raised – all of which can be remedied by the service.

Welsh Transport Grants – November 2018

11. The Road Safety & Sustainable Transport team is effective in securing funding from Welsh Government (WG) to improve the transport system across all areas of the county. We established that:

- Consideration is given to the staff and financial resources needed to manage a scheme before grant funding is pursued.

Medium Assurance	
3	Moderate Risks/Issues
0	Major Risks/Issues
0	Critical Risks/Issues

- Funding is secured via a bidding process where the outcome is more favourable if match funding is also provided. An allocation from the Highways Block Capital Fund is used for this purpose.
 - Appropriate authorisation was sought from the Strategic Investment Group (SIG), Cabinet and Full Council before bids were submitted to WG within the designated timescales.
12. Occasionally, an electronic signature of the Head of Planning and Public Protection is used on the bid application to WG. In these circumstances, the Head of Planning and Public Protection should email authorisation beforehand to give permission to use his signature. We acknowledge that when funding is received, this requires the additional signature of the Chief Finance Officer.
 13. Several of the schemes we sampled were kept 'in-house', and remaining schemes showed evidence that Contract Procedure Rules had been followed correctly and procured via the procurement system (Proactis).
 14. While the team broadly followed the defined process detailed in grant bid applications, there is no evaluation of grant funded schemes when they end, and minimal recording of 'lessons learnt'. Additionally, the bid application details the requirement for having a post-delivery monitoring plan to measure the effectiveness of a scheme and the evaluation of actual outcomes. However, while the proposed actions of how this will be evaluated have been documented in the bid, there was no post-delivery monitoring plan in place.
 15. Now that the Welsh Transport Appraisal Guidance (WelTAG) has been fully implemented, it will provide a framework to ensure that a robust assessment can be made at all stages of future schemes. However, the team do not have their own written procedures or guidelines in place to ensure an appropriate and consistent approach for managing grant bids in line with the framework.
 16. Some of the key documentation in relation to the scheme is kept on a shared network drive so it is easily accessible to all key staff. This could benefit from regular housekeeping, as we struggled to find some documentation. It would be beneficial to have an overarching record showing the progress with each bid so that staff are aware of the progress and timescales for delivering the scheme.
 17. Quarterly reports are submitted to WG detailing the progress and expenditure to date, and there is regular monitoring of projects by the Senior Engineer and the Head of Service is kept informed of any issues.
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18. The issues raised are operational and can easily be remedied, therefore, we have given a medium assurance rating.

Progress in delivering the Internal Audit Assurance 2018-19

19. The following table shows a summary of Internal Audit’s work to date for this year. This table will be added to during the year as more projects commence.

20. Where projects have been completed since 1 April 2018, the table provides assurance ratings and number of issues raised for the completed reviews.

21. The following projects have not yet commenced but are scheduled for the coming months:

- Bridges and Structures;
- Waste Management;
- School Governance; and
- Direct Payments.

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Internal Audit Assurance Plan Areas of Work	2018–19 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
2018–19 Projects								
Catering	34	34	Complete	Medium	0	0	2	
Risk Management	5	10	Draft					
Business Continuity Management	10	12	Closing meeting					
Homelessness	5	30	Scoping					

Internal Audit Assurance Plan Areas of Work	2018-19 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
Housing Rents	49	50	Complete	Medium	0	0	4	
AONB Grant Certification	2	2	Complete	N/a				
Welsh Government Grant Certification: <ul style="list-style-type: none"> Pupil Deprivation Grant Education Improvement Grant 	12	12	Complete	N/a				
Section 106	34	40	Closing meeting					
Welsh Transport Grant	14	15	Complete	Medium	0	0	3	
Single Access Route to Housing (SARTH)	1	10	On hold					Awaiting matches from NFI exercise 2018-19. Rescheduled to Q4.
Revenues and Benefits: <ul style="list-style-type: none"> Sundry Debtors Overpayments 	39	45	Fieldwork					Nearing completion
School Governance	6	25	Scoping					Due to commence
Grants Management	17	20	Fieldwork					
School Fund Management	9	15	Fieldwork					Nearing completion
Bridges and Structures	1	10	Scoping					

Internal Audit Assurance Plan Areas of Work	2018-19 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
Waste Management	1	10	Scoping					New Waste and recycling collection model
Legal Services Collaboration	4	10	Fieldwork					
Programme and Project Management	5	20	Fieldwork					Focus on benefit realisation
Financial Services: <ul style="list-style-type: none"> Treasury Management Payroll Accounts Payable Cash Receipting 	1	40	Scoping					
Projects Brought Forward from 2017-18								
Procurement	7	7	Complete	Low	0	1	1	Joint audit with Flintshire County Council of the shared service. Issues are consolidated into two root causes.
Project Management	5	5	Complete	Medium	0	1	1	
Learner Transport	24	25	Complete	Medium	0	0	5	
Health & Safety in Schools	10	10	Complete	Low	0	1	4	
Travel & Subsistence	1	1	Complete	Medium	0	1	3	

Internal Audit Assurance Plan Areas of Work	2018-19 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
CCTV Partnership	1	1	Complete	Medium	0	0	3	
IT Procurement of Resources	16	18	Draft					
ALN & Inclusion / Recoupment & Out of County Placement / Special Education	48	50	Draft					Revised draft issued
Pooled Budgets	2	5	Fieldwork					Potential amendment to the regulation.
Registrars	27	30	Draft					
Court of protection	35	40	Draft					Additional work requested.
Fraud & Corruption Work								
National Fraud Initiative	18	40	Ongoing					Data upload for 2018-19 exercise complete.
Housing Tenancy Fraud	5	20	On hold					Awaiting matches from NFI exercise 2018-19. Rescheduled to Q4.
General fraud enquiries and counter fraud work	42	50	Ongoing					
Follow-up Reviews								
IA project follow-ups	23	30	Ongoing					Includes devising new follow up process
Management of follow-ups	19	30						

Internal Audit Assurance Plan Areas of Work	2018-19 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
Other Areas of Work								
School Fund admin & audits	29	40	In progress					
Corporate Governance Framework	14	20	2017-18 complete					See separate report on progress to date with the improvement actions.
Corporate working groups	15	35	In progress					
Consultancy & corporate areas	26	70	In progress					
IA Support & Management								
Team Meetings / 1:1s	45	50						
Management	30	40						
Training & development	16	40						
Total Days	707	1067						

Progress with Improvement Actions arising from Internal Audit Assurance Work 2018-19

22. Responsibility to resolve issues and manage agreed actions lies with management. The International Internal Audit Standards require internal audit to monitor what is happening to the results of audit engagements to ensure that actions have been implemented effectively or that management has accepted the risk of not taking action. The table below summarises progress as at the end of October 2018. The current status of each action is detailed in a separate Appendix report.

Service	Number of Actions Raised (includes actions from 2017/18)	Number of Actions Due	Actions Implemented Since April 2018	% Actions Completed to Date (of those that are due)	Actions Exceeding Original Due Date
Business Improvement & Modernisation	15	13	9	69%	4
Community Support Services	7	7	7	100%	0
Communications Customers & Marketing	3	3	2	67%	1
Education & Children's Services	15	11	3*	27%	8*
Facilities Assets & Housing	22	16	15	94%	1
Finance	15	15	7	47%	7

Highways & Environmental Services	12	12	7	58%	5
Legal, HR & Democratic Services	23	9	6	67%	3
Planning & Public Protection	5	5	2	40%	3
Total	117	79	58	73%	32

* The Service has reopened 3 issues which were previously closed as they recognise the need to undertake further improvement.

Internal Audit performance standards

23. 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.

24. The table below shows Internal Audit’s performance to date for 2018/19.

Customer Service Standard	Target	Current Performance
Internal Audit will discuss, agree and send services the Internal Audit Project Scoping Document before it commences work.	100%	100%
At the conclusion of its work, Internal Audit will hold a closing meeting with all relevant people to discuss the outcome of its work, and then send services a draft report as soon as possible after that meeting.	Avg. Days (less than 10)	4.5
Internal Audit will issue a final audit report as soon as possible after agreeing the report and its action plan with services.	Avg. Days (less than 5)	2

Follow Up Action Plans & Service Improvement	Target	Current Performance
Using performance management system (Verto), Internal Audit will monitor and report on the % of agreed improvement actions that have been implemented by services to show that Internal Audit’s service is effective in helping to deliver improvement.	75%	73%*

25. The table above indicates that the new follow up reporting process, which has been operational for 5 months, is bedding in well. Services are responsible for updating progress themselves and Internal Audit will carry out spot checks to confirm accuracy. Internal Audit continues to perform a separate review of all actions arising from “low” or “no” assurance reports, and any actions linked to a high or major risk issue.

CIPFA Practical Guidance for Audit Committees – Update

26. The terms of reference have been revised to reflect the template recommended by the new CIPFA guidance¹. These are submitted separately for approval and will be presented at the committee's next meeting in January 2019 as part of the Annual Report on the Constitution.
27. An online evaluation survey has been developed which is based on the CIPFA Guidance template for evaluating the effectiveness of the committee. This will be circulated shortly to members of the Committee, Lead Members and Lead Officers who have attended the Committee. The results will be presented as part of the Internal Audit Update in January 2019.
28. The CIPFA Working Group highlighted that the Committee's forward work programme would benefit from a review of the scheduling of standard reports at each meeting. This work will be taken forward before the end of the financial year.

¹ *'Audit Committees, Practical Guidance for Local Authorities and Police'*, 2018 Edition, Chartered Institute of Public Finance and Accountancy

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Internal Audit Actions as at 7 November 2018

Key: Green = On target; Yellow = Experiencing Difficulties; Amber = At Risk, Red = Compromised; Grey = No update.

Business Improvement & Modernisation

IAABIM03a	D151642f - AD Access - Public Sector Network (PSN) guidance has recently changed to reflect concerns over password strength and ICT will act on the new guidance and issue information to service users	01/03/17	30/06/18
	The revised information security policy includes a section on Protective Monitoring. As IAABIM04a, policy awaiting approval and distribution to raise staff awareness.	Sian Thomas	24/10/18
IAABIM04a	D151642f - AD Access Management: We are currently updating the Council's Information Security Policies and, as part of this, we will include latest guidance on passwords	01/08/16	30/06/18
	The revised Information security policy with HR and Legal prior to submitting for formal approval. A copy of the policy will be translated before placing on the intranet and promoted to staff via Denbighshire Today.	Sian Thomas	24/10/18
IAABIM08a	D171801f Corporate Document Review: A trawl of network drives will be undertaken and the results shared with Heads of Service for them to raise awareness of the issue with their teams. A day will be identified and promoted as a "Tidy Denbighshire" day	01/05/18	31/03/19
	Manager has confirmed this is not a priority action at present. No resources available to complete this activity. Deadline 31.03.19.	Carol A Evans	26/10/18
IAABIM10a	D151642F - IT Access Management : Remote support agreement for iTrent	03/06/16	31/08/18
	The iTrent agreement wasn't forthcoming so ICT and HR could decide to tolerate the risk – HR would need to agree this too. Existing controls in place reduce the risk whereby ICT must give permission for any access for external support services and activity monitored by HR officer.	Sian Thomas	24/10/18
IAABIM12a	D151642F - IT Access Management : Review and distribute the relevant policy to systems administrators (protective monitoring in relation to detecting actual or potential security incidents)	01/03/17	30/06/18
	This is currently with HR & Legal as they want to make a small part of it less ambiguous so it'll be easier to start a disciplinary. It will be available later this month, October 2018	Sian Thomas	17/10/18
IAAFHBIM01a	D171825f – Health & Safety in Schools: Tracking system for 'recommended actions' following health & safety inspections / assessments. System to include timescales, reminders and escalation triggers.	27/06/18	31/03/19
	Work is in progress with ICT to determine a suitable system to record the process. Internally the Techforge system has been looked at - which is currently used by Corporate Property Services - however performing this task on there would require a new module being developed. ICT to continue reviewing options.	Matthew Hughes	31/10/18

Customers, Communication & Marketing

	IAACCM01a	D171811F - Corporate Communications: Develop a Business Case for a new Council website which is fully accessible (by September 2018) and make necessary changes to the website if Business Case is approved. (Formerly CCM316a)	01/11/17	30/09/18
	A temporary resource has been allocated to ensure that the business case is ready for the January Corporate Plan Board meeting in order to gain approval for funding		Sian Owen	26/10/18

Education & Children's Services

IAAECS01a	D131443F - Governance : Produce an induction pack and extensive training support programme for new governors and clerks.	01/01/15	30/04/18
The actions have been implemented. There is a planned review of the Governance in 2018-19, which we review the effectiveness of the controls in place from our previous review.		Geraint Davies	27/07/18
IAAECS02a	D131443F - Governance : Produce a checklist for new governors to ensure that all necessary checks, forms, and training are completed at the appropriate time.	01/12/14	30/04/18
The actions have been implemented. There is a planned review of the Governance in 2018-19, which we review the effectiveness of the controls in place from our previous review.		Geraint Davies	27/07/18
IAAECS03a	D131443F - Governance : Review existing Instruments of Government to ensure that they comply with current legislation and are signed off by the local authority.	01/01/15	31/12/18
The legislative changes are still unknown at this point. There is a planned review of the Governance in 2018-19, which we review the impact on the Instruments of Governance to ensure compliance.		Geraint Davies	27/07/18
IAAECS04a	D131443F - Governance : Work with HR to develop an integrated system of recording/maintaining Criminal Records Bureau (CRB) / Disclosure and Barring Service (DBS) for governors	01/01/15	31/05/18
Work is progressing in the issue highlighted. There is a planned review of the Governance in 2018-19, which we assess the progress made in the actions raised from our previous review.		Geraint Davies	27/07/18
IAAECS05a	D151633F - Information Management & IT management: The Education Support team will produce a key contact list so that schools know who to contact for certain events.	01/09/16	30/04/18
Key contact list shared will all HT's in the recent conference and will be shared once translation is received.		Geraint Davies	29/10/18
IAAECS07a	D151633F - IT & Information Management in Schools: An ICO training session for governors, head teachers and business and finance managers has been provided and subsequent training sessions will be offered to maintain awareness of DPA & FOI requirements.	01/04/17	31/05/18
New Deputy GDPR officer in post. All schools have joined the new GDPR SLA and planning in progress to ensure all areas of legislation are met.		Geraint Davies	29/10/18
IAAECS09a	D151633F - IT & Information Management in Schools: Make schools aware of e-learning training that is available to them so that they can disseminate training more broadly to teachers and administrative staff.	01/09/16	31/05/18
All schools informed numerous times of the availability of the e learning and training session provided. Completion before end of November deadline will be monitored.		Geraint Davies	29/10/18
IAAECS11a	D151633F - IT & Information Management in Schools: Review existing ICT Admin Contract with Gaia where supplier agreed to encrypt mobile devices and provide certification of data destruction as part of the original Invitation to Tender.	01/05/17	31/08/18
Original contract now extended up to the end of August 2019. Gaia will provide new encrypted replacement laptops as part of the extension. Gaia have stated that they will provide certification if data destruction is required		Katie Hay	30/07/18
IAAECS13a	D171825f – Health & Safety in Schools: Accident incident reporting to be included in the self-assessment reporting tool for schools	27/06/18	30/03/19
Health and Safety self-assessment review to be amended in line with the development schedule for the toolkit.		Geraint Davies	29/10/18
IAAECS14a	D171825f – Health & Safety in Schools: “Health & Safety course” to be included in the self-assessment tool ‘School Management Review’	27/06/18	30/03/19
Health and Safety self-assessment review to be amended in line with the development schedule for the toolkit.		Geraint Davies	29/10/18
IAAECS15a	D171825f – Health & Safety in Schools: Create relevant questions relating to infection control plans and cleanliness for all schools to answer on the self-assessment tool ‘School Management Review’	27/06/18	30/12/18

	Infection Control audit checklist in development by PR and will be included in the toolkit once completed and agreed by the regional steering group.	Geraint Davies	29/10/18
IAAECS16a	D171824f School Transport : Management of Additional Learning Needs (ALN) transport applications and managed transfers	01/06/18	31/12/18
	A post for an Education Support Officer within the School Support Team is due to be advertised which is to be jointly funded by Education. As part of their role, they will be reviewing the Capita One system and assisting teams to utilise modules on the system that are currently not being used. ALN and managed transfers could form part of this review. Dependent on the outcome of the recruitment process it is anticipated that an action plan will be prepared by the end of September 2018 and delivery of this activity will depend on the priorities detailed in the action plan.	Heidi Barton-Price	02/07/18
IAASCHOOLS01a	D171825f – Health & Safety in Schools: Schools to advise Corporate Health and Safety on the progress/status of actions resulting from the Corporate Health & Safety inspections	27/06/18	30/03/19
IAASCHOOLS02a	D171825f – Health & Safety in Schools: Corporate induction template provided by HR and H&S checklist template provided by Corporate Health and Safety to be used by schools to devise in-house induction for all new staff.	27/06/18	30/03/19
IAASCHOOLS03a	D171825f – Health & Safety in Schools: All school staff must attend the relevant Health & Safety training and maintain formal training records	27/06/18	30/03/19

Facilities, Assets & Housing

IAAFAH02a	D161740F -Housing Voids & Allocations: More robust monitoring of spend to be introduced to ensure that CPR limits are not exceeded use of Exemption Forms where appropriate. Longer term, a framework is being developed and will be in place later in 2017.	01/11/16	31/03/18
Meet the buyer event took place on 29th September as planned. Proactis documents relating to the process will be complete during October. In line with this, technical documents expected to be finalised in October. Overall the Framework is on target for February 2019 introduction.		Matthew Hughes	31/10/18
IAAFAH06a	D171825f – Health & Safety in Schools: Regularly communicate the requirements for accident incident reporting to school responsible persons through training, H&S attended, Education H&S committee and Business & Finance Managers meetings	27/06/18	30/03/19
Accident and Incident reporting is now being included within general H&S training when delivered to Schools staff. In addition, Education have circulated an intranet link to all schools to ensure they are able to access the system, and reiterated the need for schools to report these incidents. Figures detailing the number of accident/incident reports - included Schools posting a nil return - are now reported to the Corporate Health & Safety Committee.		Matthew Hughes	31/10/18
IAAFAH19a	D181902f - Catering Services: Work with Head Teachers and School Business/Finance Managers to gain access to pupil records accordingly	11/09/18	31/12/18
Catering Services have had approval from Head Teachers to have access to Parent Pay debt information following attendance at Business and Finance Managers cluster meeting in September. Currently waiting for DCC Legal and Parent Pay to exchange information relating to GDPR. Aim is for Catering Admin to have access to debts on Parent Pay by December 2018.		Matthew Hughes	31/10/18
IAAFAH20a	D181902f - Catering Services: Form a School Meal Debt team to target schools whose school meal debt is excessive and/or not managed effectively	11/09/18	31/12/18
Catering Services implemented a revised School Meal Debt Policy on 1st September 2018. In addition to this, The School Meal Debt team have visited 15 of 60 Primary Schools since September. All Schools will be visited by 20th December 2018. Both these actions have led to a 22% decrease in School Meal Debt in the period (July 2018 - £41k, September 2018 - £32k). Debt to continue to be monitored through Contracts & Facilities Performance Dashboard.		Matthew Hughes	31/10/18
IAAFAH21a	D181902f- Catering Services- The School Meal debt team will assist the school's Head Teacher/Administration staff in tightening their procedures and assisting them through any administrative changes that are needed in ensuring weekly catering returns are	11/09/18	31/12/18
Catering Services implemented a revised School Meal Debt Policy on 1st September 2018. In addition to this, The School Meal Debt team have visited 15 of 60 Primary Schools since September. All Schools will be visited by 20th December 2018. Both these actions have led to a 22% decrease in School Meal Debt in the period (July 2018 - £41k, September 2018 - £32k). Debt to continue to be monitored through Contracts & Facilities Performance Dashboard.		Matthew Hughes	31/10/18
IAAFAHBIM01a	D171825f – Health & Safety in Schools: Tracking system for 'recommended actions' following health & safety inspections / assessments. System to include timescales, reminders and escalation triggers.	27/06/18	31/03/19
Work is in progress with ICT to determine a suitable system to record the process. Internally the Techforge system has been looked at - which is currently used by Corporate Property Services - however performing this task on there would require a new module being developed. ICT to continue reviewing options.		Matthew Hughes	31/10/18

Finance

IAAFIN02a	D161756f - Corporate Petty Cash Review: Review all bank accounts to identify any dormant accounts and close them, where necessary, and update all out of date petty cash signatories.	01/12/17	31/05/18
There is evidence that the dormant accounts have been closed. Some of the signatories are still incorrect.		Lisa Lovegrove	27/03/18
IAAFIN03a	D171805f: CAD: Chief Internal Auditor, Head of Finance and Head of Legal, HR & Democratic Services to meet and review existing ASP Framework document, looking at the type of arrangements that it applies to and then the reporting frequency requirements	01/03/18	30/04/18
Meeting took place and agreed the reporting arrangement. Process in place for ASPs set up of new ASPs devised by Finance. Review of existing ASPs will be undertaken as part of service challenge process. Summary of the results will be collated and reported to Corporate Governance Committee as part of the Annual Report summarising the service challenge results.		Lisa Lovegrove	30/10/18
IAAFIN04a	D161756f - Corporate Petty Cash Review: The Senior Payments Officer will reconcile the bank accounts against the information held on the Accounts Payable System and amend the account names accordingly	31/12/17	31/05/18
Corporate bank accounts have been reconciled to the Accounts Payable system and account names amended accordingly. However, the school account names have not yet been reconciled. This is dependent on the information being sent through from the schools, as in agreed action below.		Lisa Lovegrove	27/03/18
IAAFIN05a	D161756f - Corp PC: Changes have been identified within the Proactis system, which will provide consistency and enhanced control in processing of petty cash claims. These changes will feed into guidance documents and communicated to all petty cash users.	28/02/18	31/07/18
Andrew Kneale - I have completed my bit of this in terms of renaming the Creditor records. There are still further actions on the project that are being completed by Finance (Sandra Jones) and Audit (Geraldine Saunders).		Peter York	05/06/18
the date for the completion of the finance section of the guidance has been rolled on, a new completion date of July has been agreed			
IAAFIN07a	D171806f - Revs & Bens: Internal Audit will carry out a review of debts under £25 to ensure that the current Financial Regs are being complied with now the new system is more embedded	01/09/17	30/06/18
Internal Audit have reviewed debts under £25 and found that a large number are issued for good reason. Several are annual payments and are carried forward from year to year. Services who are still issuing a significant volume of invoices under £25 have been contacted requesting them to review their processes in this respect. Work is continuing with the Business Support Manager to take this further.		Peter York	07/06/18
IAAFIN10a	D161721f - Risk of Fraud & Corruption: A corporate anti-fraud plan is to be developed initially. An annual review will then be completed to assess how effectively the council performs against the plan.	01/06/18	30/06/18
This is underway. CIA is capturing fraud referrals and time spent on them and met with HR Manager to understand their involvement with referrals. A process has been put in place to ensure coordination between CIA and HR on any potential investigations. CIA to meet with Head of Finance to discuss before producing the Annual Fraud Report.		Peter York	07/06/18
IAAFIN14a	D171807F - Financial Systems 2017-18: - Re-circulate the existing guidance notes showing how VAT should be coded to all the users in Proactis	01/03/18	30/04/18
Follow up will be completed as part of upcoming review of Financial Services.		Lisa Lovegrove	30/11/18
IAAFIN15a	D171807F - Financial systems 2017-18: Reviewed and amend Financial Regulations to reflect reality with regard to retrospective purchase orders	01/03/18	31/07/18
Follow up will be completed as part of upcoming review of Financial Services.		Lisa Lovegrove	30/11/18

Highways & Environmental Services

IAAHES01a	D171803f: Improving our roads priority. To deliver the annual capital highway maintenance programme. We will report progress in three categories; work completed, work not done due to third party issues and work not done due to issues within our control.	01/04/18	31/03/19
There are 57 sites on the list and so far 15 have been completed and another 41 are either on site, booked in with a contractor or planned. One scheme in St Margaret's Drive in Rhyl will not now be done this year due to work to demolish the adjacent school.		Clair Sellers	24/10/18
IAAHES05a	D171824f Learner Transport : Update the corporate contract register with all learner transport contracts	01/06/18	30/09/18
We are currently in the process of updating the corporate contract register with all learner transport contracts		Heidi Barton-Price	02/07/18
IAAHES07a	D171824f:Learner Transport: Implement a dynamic purchasing system	01/06/18	31/12/18
We are progressing the implementation of the dynamic purchasing system. A report on implementation was discussed at Cabinet 26th June 2018. Our second meeting with suppliers was held 21st June and we have held several meetings with Procurement. By implementing this system it will reduce any complexities as highlighted in the Learner Transport review.		Heidi Barton-Price	02/07/18
IAAHES10a	D171824f:Learner Transport: Income for the college element of the Learner Transport budget recharges	01/06/18	31/08/18
At the time of the audit, Term 2 had not been invoiced as supplier claims were awaited (these are not paid until May). A meeting with Coleg Llandrillo's Principal Officer will be arranged with Education, Learner Transport and Finance to include further discussion on 'on-account' invoicing at the beginning of the next academic year (to allow up-front charges to be applied based on the previous year's income). We already engage with Coleg Cambria and any potential improvements can be discussed with them as they have far few learners. Note, however, that deadlines will always be tight owing to the structure of the further education system and transfer from secondary to further education.		Heidi Barton-Price	02/07/18
IAAHES11a	D151627f: Fleet: business case for a new system will be developed (ICT procurement). Funding streams will be investigated to cover the purchase cost. If agreed, a new fleet management system will be implemented.	01/04/17	31/10/18
Document will be completed by end of September 2018 and advertised Sell to Wales		Clair Sellers	26/09/18

Legal, HR & Democratic Services

IAALHRD03a	D161746f - Corporate Procurement: Dun & Bradstreet checks carried out at tendering stage are to be saved into the attachments section of the project (as a private attachment for Council staff only to view) on the Proactis system.	01/06/17	30/06/18
This instruction has been given to Project Managers. Procurement will monitor and pick up with project managers where the check has not been uploaded.		Karen A Evans	07/08/18
IAALHRD07a	D171801f - Corporate Document Retention - HR to ensure that documents are disposed of in line with the corporate document retention schedule - ITrent	01/01/18	31/03/19
We are currently further guidance on how to manage this going forward specifically in relation to employment checks		Catrin Roberts	11/10/18
IAALHRD09a	D171815f - Travel & Subsistence: Send a DVLA form to all employees who have claimed mileage within the last 12 months.	01/04/18	31/03/19
The new form has now been received and we are using that for new employees. We will now need to proceed with the exercise of collating this information for existing employees.		Catrin Roberts	11/10/18
IAALHRD10a	D171815f - Travel & Subsistence: Check the declaration on Proactis to ensure that it complies with the requirements of the policy.	01/04/18	31/03/19
This will be done as part of IAALHRD 11a		Catrin Roberts	11/10/18
IAALHRD11a	D171815f - Travel & Subsistence: Add a separate declaration relating to the completion of the DVLA form in the last 12 months	01/04/18	31/03/19
Now that we have received the correct DVLA form this can now progress with a revised date of 31/3/19		Catrin Roberts	11/10/18
IAALHRD12a	D171815f - Travel & Subsistence: Check the capability of Proactis to see whether it can store information regarding the date the DVLA form was completed	01/04/18	31/03/19
This can now progress with a revised date of 31/3/19		Catrin Roberts	11/10/18
IAALHRD13a	D171815f - Travel & Subsistence: Incorporate a process for the monitoring of the return of completed DVLA forms and ensure forms received are checked within 48 working hours of being received by the Council.	01/04/18	31/03/19
The policy has been done in draft but could not be completed due to the new DVLA form. This has can now be progressed with a revised date of 31/3/19		Catrin Roberts	11/10/18
IAALHRD14a	D171815f - Travel & Subsistence: Update the Travel and Subsistence Policy to reflect the changes in the process for claiming mileage.	01/04/18	31/03/19
The policy has been done in draft but not progressed due to need for updated form. This can now be progressed with a revised date of 31/3/19		Catrin Roberts	11/10/18
IAALHRD15a	D171815f - Travel & Subsistence: To provide a link to the revised policy to the Proactis Team, who will create a link on the P2P Expenses module to the "Travel and Subsistence" policy on the intranet.	01/04/18	31/03/19
This had been put on hold whilst the revised policy was being completed. It can now progress with a revised date of 31/3/19		Catrin Roberts	11/10/18
IAALHRD16a	D171814 - Joint Procurement: Provide regular updates to Corporate Governance, Audit and Scrutiny and an annual report to Cabinet	01/06/18	31/03/19
IAALHRD17a	D171814f- Joint Procurement: Update the procurement strategy	01/06/18	31/03/19
IAALHRD18a	D171814f-Joint Procurement: Agree a methodology to capture efficiency savings and non-financial savings	01/06/18	30/09/18
IAALHRD19a	D171814f-Joint Procurement: Review contract procedure rules relating to extensions, variations and direct awards to ensure markets are regularly tested and the most competitive price obtained (and remind staff of good practice in relation to these)	01/06/18	31/10/18
IAALHRD20a	D171814f-Joint Procurement: Consider options for a time recording system and review time spent working on regional procurement	01/06/18	31/03/19
IAALHRD21a	D171814f-Joint Procurement: Raise the profile of the Joint Corporate Procurement Unit to highlight procurement and the need to collaborate	01/06/18	31/03/19

IAALHRD22a	D171814f-Joint Procurement: Promote the Joint Corporate Procurement Unit and attend SLT/CET six monthly	01/06/18	31/03/19
IAALHRD23a	D171807F - Financial Services 2017-18: Review and amend the disclaimer allowing staff to opt out of information sharing in line with General Data Protection Regulation.	01/03/18	31/05/18
IAALHRD24a	D171810f - Settlement Agreements - Our review identified some settlement agreement payments where at least one of the required signatories was absent. This control is vital to make sure that key persons are consulted and provide a record that they approved the payment.	25/01/18	31/03/18
IAALHRD25a	D171810f - Settlement Agreements - Inconsistencies in the general housekeeping and document retention of settlement agreement case information could result in the loss of key documentation. This could harm any case brought against the Council, leading to potential increased costs and damages	25/01/18	25/01/18

Planning & Public Protection

General Information

Contributing Services Planning & Public Protection

Activities

IAAPPP02a	D171817f - CCTV Partnership: The CCTV Partnership does not have a risk register so it was unclear whether all potential risks were being considered and managed.	01/04/18	31/07/18
	Initial work has started on producing a register	Lisa Lovegrove	06/11/18
IAAPPP04a	D171817f - CCTV Partnership: The draft Service Level Agreement (SLA) between the Partnership Board and Cheshire West and Chester Council (CWAC) does not include any performance targets that CWAC can be measured against.	01/04/18	31/07/18
	North Wales Police, DCC and Cheshire West and Chester are working on developing a set of performance measures which will be reported to every Board meeting. Draft measures have been suggested and are to be agreed by all partners. I will update you once this has been agreed by the Board.	Lisa Lovegrove	06/11/18
IAAPPP05a	D151630f-Housing Enforcement: Modernisation of the payment process for Houses in Multiple Occupancy licences.	01/04/18	31/03/19
	The HMO licensing form is being reviewed and changes are being made to encourage payment by card, and to discourage cheque payments. Meeting held with Homeless Prevention, DCC Housing Service and the Web Team to review the current Landlord Web Page with a view to improving the overall content which includes payment methods.	Eleri Williams	22/10/18
IAAPPP06a	Welsh Transport Grants (D181905f) -Guidelines are to be developed to provide detail about: the process; the roles and responsibilities; the approval process; and scheme monitoring arrangements.	01/11/18	31/03/19
IAAPPP07a	Welsh Transport Grants (D181905f) - Basic housekeeping of files will be undertaken in the short term to minimise duplication and to ensure all files are accessible. This will be done ahead of the new application process for financial year 2019-20 funding.	01/11/18	31/12/18
IAAPPP08a	Welsh Transport Grants (D181905f) - Only key e-mails will be saved to the scheme network folder.	01/11/18	30/11/18
IAAPPP09a	Welsh Transport Grants (D181905f) - As per IAAPPP07a : As advised the new guidelines being developed will include details and a convention for the storage of electronic files.	01/11/18	31/03/19
IAAPPP10a	Welsh Transport Grants (D181905f) - A debrief for the project team will be held at the end of each large grant-funded project, or for a collection of smaller projects. Findings to be discussed at Traffic Case Conference meeting as shared-learning.	01/11/18	31/12/18

Report To: Corporate Governance Committee

Date of Meeting: 21 November 2018

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

Report Author: Lisa Lovegrove – Chief Internal Auditor

Title: Governance Improvement Plan Update

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 2017/18.

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 2018.

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 with implementing the action plan: all actions are in progress with **one action** completed ahead of schedule.

All of the actions look on course to achieve their expected deadline.

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>Further to the action completed in last year's improvement plan in response to the WAO report <i>'Good Governance when determining significant service changes - Denbighshire County Council'</i>, the Council considers further improvement is possible to ensure consistent, timely monitoring of the impact of each significant service change.</p>	<p>Chairs of decision making committees including Cabinet be reminded to ensure that debates include consideration of impact assessments.</p> <p>Pre-decision scrutiny to include consideration of the nature and frequency of future impact monitoring where appropriate.</p> <p>Head of Business Improvement & Modernisation and Head of Legal, HR & Democratic Services</p> <p>31 March 2019</p>	<p>Complete as per agreed action.</p>
<p>Risks associated with significant service changes need to be better reflected within the decision reports so that the Council's decision is informed properly. Any notable adverse impacts identified within the impact assessment should be reflected within the risk assessment.</p>	<p>The guidance notes contained within the Report Templates will be reviewed to emphasise the need to identify and clearly explain within the body of the report any associated risk and impacts.</p> <p>Strategic Planning Team Manager and Head of Legal, HR and Democratic Services</p> <p>31 March 2019</p>	<p>Strategic Planning Team Manager and Democratic Services Manager have discussed new wording for report templates. Report template has been updated with revised wording to promote consideration of risks arising from the decision to proceed.</p> <p><i>Promotion of the changes is required to ensure relevant officers are aware of the change and complete the section correctly.</i></p>

Improvement Area	Action	Current Status
Promote officer awareness of the code of conduct including declaration of interests and whistleblowing policy	An e-learning training module will be rolled out to new staff initially and then to all staff. Strategic HR Manager 31 March 2019	This is being developed and is on track for being rolled out next year.
Budget gap identified in the MTFP and a new programme board is being established to identifying savings. The Council needs to capture how savings will be achieved within the required timeframe to address the budget gap.	Board established, terms of reference agreed and process for 2019/20 begun. Head of Finance 28 February 2019	Report to Corporate Governance Committee in September 2018 outlined the Reshaping the Council board and its purpose to ensure the Council is able to deliver the required savings.
Transition relating to changes within the Senior Leadership Team to minimise impact to service delivery.	Processes in place to manage changes at senior level to ensure new officers fully deliver their roles and responsibilities effectively. SLT & HR 31 December 2018	This is being managed on a case by case basis.
Increased reliance on partners to work with the Councils to deliver key services requires robust arrangements for overseeing and monitoring to ensure that they are effective.	Review Partnership Governance Manual and SLT to be made aware so that partnerships apply the requirements. Strategic Planning Team Manager & SLT 31 March 2019	This year's service challenge process has an emphasis on alternative service delivery models. Services are required to complete information around the partnerships and ASDM it is involved in along with details of monitoring arrangements in place. This will enable the service challenge process to challenge any ASDMs that are not perceived to be effective.
Increasing number of core services are being delivered through large and complex contracts require effective arrangements for contract management.	Internal Audit review of Contract Management in 2018/19. Chief Internal Auditor 30 June 2019	Internal Audit planned for quarter 4 2018/19.

Improvement Area	Action	Current Status
<p>Demonstrate that proposed benefits are achieved from major programmes and projects.</p>	<p>Internal Audit review of programme and project management benefit realisation in 2018/19.</p> <p>Chief Internal Auditor 31 March 2019</p>	<p>Internal Audit of programme and project management underway which includes a review of closed project to assess benefit realisation achievement.</p>
<p>Compliance with General Data Protection Regulations (GDPR) from May 2018 will require significant resource from across the Council.</p>	<p>Information Governance Group has developed an action plan and reliance on services to assist with implementing the necessary actions to comply with the new regulations. Communication and mandatory training to be delivered as per the action plan.</p> <p>Head of Business Improvement & Modernisation</p> <p>31 March 2019</p>	<p>The Information Governance Group's action plan is making progress, as summarised below:</p> <ul style="list-style-type: none"> • GDPR training is being rolled out this Autumn – 52% complete. • Council Information Assets Register operational but is still being refined – 70% complete • Contracts' wording is amended for new contracts going forward, and a review of existing contracts is underway to update wording.

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Report To:	Corporate Governance Committee
Date of Meeting:	21 November 2018
Lead Member / Officer:	Cllr Julian Thompson Hill / Lisa Lovegrove
Report Author:	Lisa Lovegrove, Chief Internal Auditor
Title:	External Assessment of Internal Audit

1. What is the report about?

The Public Sector Internal Audit Standards (PSIAS) became effective from 1st April 2013 (revised as from 1 April 2017) and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside the organisation.

The assessment by the Audit Manager from Gwynedd CC and the report is attached as Appendix 1.

2. What is the reason for making this report?

To provide information for the Committee to enable it to contribute to the external quality assessment of internal audit that takes place at least once every five years in order to meet its Terms of Reference and to receive assurance that Internal Audit complies with the Public Sector Internal Audit Standards.

3. What are the Recommendations?

That the Committee notes the findings of the External Assessment and agree to monitor the implementation of actions to address the recommendations during future reports.

4. Report details

The PSIAS introduced a requirement for an external assessment of internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation. This became effective from 1st April 2013.

The purpose of the external assessment is to help improve delivery of the audit service to the Council. The assessment should be a supportive process that identifies opportunities for development which ultimately helps to enhance the value of the audit function to the Council.

The two possible approaches to external assessments outlined in the standard include either a full external assessment or an internal self-assessment which is validated by an external reviewer. External reviewers should:

- Possess a recognised professional qualification
- Have appropriate experience of internal audit - at least five years at manager level within the public sector / local government
- Have detailed knowledge of leading practices in internal audit

- Have current, in-depth knowledge of the Definition, the Code of Ethics and the International Standards

The Welsh Chief Auditors Group agreed that member authorities should undertake the external assessment process as a peer review whereby one Authority would undertake a peer assessment of a different Authority within the group. The external assessment was organised through the Welsh Chief Auditors Group who selected Gwynedd County Council to perform the engagement as the auditor undertaking the peer assessment has no known conflicts of interest to ensure they were suitably independent. The fieldwork was undertaken in March 2018, by the Chief Auditor from Gwynedd CC.

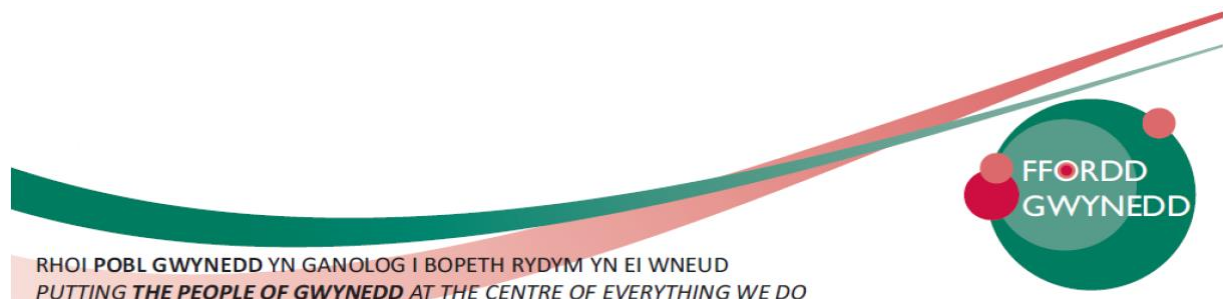
The findings from the assessment together with an action plan have been agreed by the Chief Internal Auditor and the report is shown in full in Appendix 1.

- 5. How does the decision contribute to the Corporate Priorities?**
There is no decision required with this report. There is no direct contribution to the Corporate Priorities.
- 6. What will it cost and how will it affect other services?**
Not applicable - there is no decision or costs attached to this report.
- 7. What are the main conclusions of the Well-being Impact Assessment?**
Not applicable - this report does not require a decision or proposal for change.
- 8. What consultations have been carried out with Scrutiny and others?**
Not required.
- 9. Chief Finance Officer Statement**
There are no financial implications attached to this report.
- 10. What risks are there and is there anything we can do to reduce them?**
The work of internal audit gives assurance to the council on the adequacy and effectiveness of controls in place to manage and mitigate risks.
- 11. Power to make the Decision**
Not applicable - there is no decision required with this report.

INTERNAL AUDIT REPORT



EXTERNAL QUALITY ASSESSMENT OF DENBIGHSHIRE COUNTY COUNCIL INTERNAL AUDIT SERVICE



EXTERNAL QUALITY ASSESSMENT OF DENBIGHSHIRE COUNTY COUNCIL INTERNAL AUDIT SERVICE

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) became effective from 1st April 2013 (revised as from 1 April 2017) and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside the organisation.
- 1.2 The two possible approaches to external assessments outlined in the standard included either a full external assessment or an internal self-assessment validated by an external reviewer.
- 1.3 Members of the Welsh Chief Internal Auditors Group elected to adopt the self-assessment approach, with another member of the Group undertaking the validation.

2. Purpose

- 2.1 The purpose of the external assessment is to help improve the delivery of the audit service to the organisation. The assessment is designed to be a supportive process that identifies opportunities for development which ultimately help to enhance the value of the audit function to the authority.

3. Results

- 3.1 An external validation of the self-assessment completed by the Chief Internal Auditor of Denbighshire County Council was undertaken by the Audit Manager of Gwynedd Council.
- 3.2 In summary, there are 334 best practice requirements within the PSIAS. A self-assessment review of the conformance against the PSIAS was undertaken by the Chief Internal Auditor during 2017/18. The results of the self-assessment and the resulting Quality Assurance Improvement Plan was submitted to the Corporate Governance Committee in November 2017.
- 3.3 Following the external validation of the self-assessment, it is considered that the Internal Audit Service of Denbighshire County Council is currently conforming to 308 of the requirements, a partial conformance with 14 and no non-conformance.
- 3.4 The results of the checklist is summarised in Table 1 overleaf:

Table 1 – Summary of Conformance with the Standards

Standard		Conformance				
		Y	N	P	N/A	Total
1.	Definition of Audit Risk	3				3
2.	Code of Ethics	12		1		13
3.	Attribute Standards					
1000	Purpose, Authority and Responsibility	21		2		23
1100	Independence and Objectivity	26		1	2	29
1200	Proficiency and Due Professional Care	21				21
1300	Quality Assurance & Improvement Programme	22		4	1	27
4.	Performance Standards					
2000	Managing the Internal Audit Activity	42		1	3	46
2100	Nature of Work	29		2		31
2200	Engagement Planning	56			2	58
2300	Performing the Engagement	22				22
2400	Communicating Results	48		3	4	55
2500	Monitoring Progress	4				4
2600	Communicating the Acceptance of Risks	2				2
		308	0	14	12	334

Y – Yes, N – No, P – Partially and N/A – Not Applicable

3.5 The areas of partial or non-conformance with the PSIAS are provided in section 4 along with suggested areas for improvement.

4. Areas of Non-Conformance or Partial Conformance / Suggested Areas for Improvement

4.1 Code of Ethics

4.1.1 Section 6 of the Public Sector Internal Audit Standards states in addition to conformance with the Code of Ethics, internal auditors who work in the public sector must also have regard to the Committee Standards of Public Life's *Seven Principles of Public Life*.

4.1.2 Although it is a requirement for all members of the Internal Audit service to make an annual declaration that they agree to comply with the IIA (Institute of Internal Audit) Code of Ethics, the declaration did not encompass the *Seven Principles of Public Life*. However, following the external assessment, the Chief Internal Auditor has amended the Internal Audit Declaration Form to comply with the Standard.

4.2 Standard 1000: Purpose, Authority and Responsibility

4.2.1 The Internal Audit Charter does cover arrangements for appropriate resourcing, however, the Charter does not incorporate to whom to report if there were insufficient resources.

4.3 Standard 1100: Independence and Objectivity

4.3.1 The Standard suggests that on an annual basis the board approves the internal audit budget and resource plan. Denbighshire's Internal Audit Service has produced an Internal Audit Strategy which represents the proposed internal audit activity for the year and provides an outline scope of coverage. However, the Internal Audit Strategy does not provide details of the annual resources available for internal audit, i.e. number of productive days available after taking into account non-productive time, e.g. annual leave, training etc.

4.4 Standard 1300: Quality Assurance and Improvement Programme

4.4.1 The Standards require that a Quality Assurance and Improvement Programme (QAIP) is developed and maintained to enable the internal audit activity to be assessed against the PSIAS for conformance. The QAIP has been designed by the IIA Global to assist in raising standards.

4.4.2 The completion of the *Checklist for Assessing Conformance with the PSIAS* is an important element of the QAIP. The checklist was developed by CIPFA to satisfy the requirements set out in PSIAS 1311 and 1312 for periodic self-assessments and externally validated self-assessments as part of the Quality Assurance and Improvement Programme. The Local Government Application Note states "*if the periodic assessment is in the form of self-assessment, the checklist for assessing conformance in the Application Note would be recommended as it covers both the PSIAS and the content of the Application Note itself*". However, the internal assessment was carried out using the IIA's Checklist. A new checklist is currently being developed by CIPFA.

4.4.3 The public sector requirement to PSIAS 1320: Reporting on the Quality Assurance and Improvement Programme states "*the results of the quality assurance and improvement programme against any improvement plans must be reported in the annual report*". The results of the self-assessment carried out in 2017/18 along with the Quality Assurance and Improvement Programme was reported to the Corporate Governance Committee in November 2017. However, the Annual Report did not include the QAIP although reference was made to conformance with the Standards.

4.4.4 The Standards require that the Quality Assurance and Improvement Programme include both internal and external assessments. The results of this external assessment should be included in the Quality Assurance Improvement Programme and presented to committee.

4.4.5 The periodic assessment should include a review of the activity against the risk-based plan and the achievement of its aims and objectives. The Internal Audit Strategy 2017/18 identified a 'pot' of projects that were identified as main priorities. In the Internal Audit Annual Report produced by the Chief Internal Auditor, it did not report on activity against the priority projects and only provided details on actual reports issued, hence a comparison of planned versus actual was not provided.

**4.5 Standard 2000: Managing the Internal Audit Activity 2060:
Reporting to Senior Management and the Board**

4.5.1 The PSIAS states, *"the frequency and content of reporting are determined collaboratively by the chief audit executive, senior management and the board. The frequency and content depends on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management and/or the board"*.

4.5.2 The Corporate Governance Committee has a standing item on its agenda the *"Forward Work Programme"* of the Committee for an Internal Audit Update report. For the financial year 2017/18, a total of nine meetings of the Committee were scheduled but five of the meetings were cancelled. The Committee also receives 'low' or 'no' assurance reports as a separate agenda item of the next available meeting, which ensures that important information is communicated promptly. The frequency of the Internal Audit updates should, therefore, be discussed and agreed and the forward work programme updated accordingly.

**4.6 Standard 2100: Nature of Work
2110: Governance**

4.6.1 In order to conform with the Standards, the internal audit activity is required to assess and make appropriate recommendations for improving the governance process. Denbighshire's Internal Audit Service do not make recommendations but an agreed improvement action plan is produced in conjunction with the client which enables better ownership of the actions.

4.6.2 The PSIAS require the internal audit activity to evaluate the design, implementation and effectiveness of the Authority's ethics-related objectives, programs and activities. Although an audit of *"Managing the Risk of Fraud and Corruption"* has been carried out, which incorporated ensuring policies were in place e.g. whistleblowing, code of conduct etc. no specific audits have been conducted in relation to ethics and culture.

**4.7 Standard 2400: Communicating Results
2410: Criteria for Communicating**

4.7.1 The basic aim of every internal audit report should be to prompt management to implement the agreed actions for change leading to improvement in the control environment and performance. Recommendations should be prioritised according to risk. The recommendations and the resultant action plans should be agreed prior to the issue of the final report.

- 4.7.2 Any areas of disagreement between the internal auditor and management that cannot be resolved by discussion should be recorded in the action plan and the residual risk highlighted. Those weaknesses giving rise to significant risks that are not agreed should be brought to the attention of a more senior level of management and the board.
- 4.7.3 As noted in para. 4.5.1, Internal Audit no longer makes recommendations but a plan of agreed actions is drawn up in conjunction with the client. Although agreement on actions is discussed, it is best practice for the Internal Audit Charter to reference how areas of disagreement between Internal Audit and management are reported upon i.e. where there is no agreement to mitigate risk(s) and how will the matter be escalated.

2450: Overall Opinion

- 4.7.4 The PSIAS states that the Head of Internal Audit Annual Report should incorporate a comparison of work actually carried out with the work planned. However, the annual report only provides an overview of reports issued during the year, including the overall assurance ratings and the number of issues/risks raised in the action plans, and no comparison is made with work carried out with the work planned (see also para. 4.4.5).

5. Overall Opinion

- 5.1 The Quality Assessment Manual produced by the Institute of Internal Auditors suggests the following ratings to indicate the level of conformance with the PSIAS.

- **Generally Conforms** – which means that the internal activity has a charter, policies and processes that are judged to be in conformance with the standards.
- **Partially Conforms** – which means that deficiencies in practice are noted that are judged to deviate from the Standards, but these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner.
- **Does Not Conform** – which means that deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

- 5.2 The overall opinion following the external validation of Denbighshire County Council Internal Audit Service is that it generally conforms with the PSIAS. Some opportunities for further improvement have been identified as shown in this report but none of the items of partial or non-conformance are considered to be a significant failure to meet the Standards.

Luned Fôn Jones
Audit Manager – Cyngor Gwynedd

DENBIGHSHIRE COUNTY COUNCIL INTERNAL AUDIT SERVICE - ACTION PLAN

REF	STANDARD	AGREED ACTION	RESPONSIBILITY FOR ACTION	TIMESCALE
Code of Ethics				
1.	Do internal auditors have regard to the Standards of Public Life's <i>Seven Principles of Public Life</i> ?	Amend the Annual Declaration to include Standards of Public Life's <i>Seven Principles of Public Life</i> .	Chief Internal Auditor	Completed
1000: Purpose, Authority and Responsibility				
2.	Does the internal audit charter cover the arrangements for appropriate resourcing?	Internal Audit Charter " <i>Resources</i> " should incorporate the reporting arrangements if there are insufficient resources.	Chief Internal Auditor	May 2019
1100: Independence and Objectivity				
3.	The board approves the internal audit budget and resource plan.	Provide details of the annual resources available for Internal Audit, i.e. number of productive audit days available after taking into account non-productive time, e.g. annual leave, training etc. in the Internal Audit Strategy.	Chief Internal Auditor	May 2019
1300: Quality Assurance and Improvement Programme				
4.	The " <i>Checklist for Assessing Conformance with the PSIAS</i> " produced by CIPFA to satisfy the requirements set out in PSIAS 1311 and 1312 was not used as a basis for the internal assessment.	The IIA's checklist was used for the internal assessment. Agree to use the PSIAS checklist as agreed by the Welsh Chief Auditors Group in future to conduct the internal assessment.	Chief Internal Auditor	March 2019

REF	STANDARD	AGREED ACTION	RESPONSIBILITY FOR ACTION	TIMESCALE
1300: Quality Assurance and Improvement Programme 1311: Internal Assessments				
5.	Does the periodic assessment include a review of the activity against the risk-based plan and the achievement of its aims and objectives?	The Internal Audit Update report to Corporate Governance Committee to include a review of activity against the risk-based plan.	Chief Internal Auditor	May 2019
1300: Quality Assurance and Improvement Programme 1311: Reporting on the Quality Assurance Programme				
6.	Has the CAE reported the results of the QAIP to senior management and the board and that the results of both external and periodic internal assessment must be communicated upon completion.	This has already been identified following the internal assessment. The external assessment report will be presented to the Corporate Governance Committee.	Chief Internal Auditor	November 2018
7.	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	Include results of the QAIP and progress within the annual report	Chief Internal Auditor	May 2019
2000: Managing the Internal Audit Activity 2060: Reporting to Senior Management and the Board				
8.	Is the frequency and content of such reporting determined in discussion with senior management and the board and are they dependent on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management and the board?	This was also highlighted as part of the review of the Corporate Governance Committee's effectiveness in line with the CIPFA Code of Practice. Review frequency of reporting on Internal Audit activity to the Corporate Governance and update the Forward Work Programme if required.	Corporate Governance Committee / Chief Internal Auditor / Democratic Services	April 2019

REF	STANDARD	AGREED ACTION	RESPONSIBILITY FOR ACTION	TIMESCALE
2100: Managing the Internal Audit Activity 2110: Governance				
9.	Has the internal audit activity evaluated the: a) Design b) Implementation, and c) Effectiveness of the organisation's ethics-related objectives, programmes and activities?	Include a review of Ethics within the Internal Audit Strategy.	Chief Internal Auditor	May 2019
2400: Communicating Results 2410: Criteria for Communicating				
10.	If there are any areas of disagreement between the internal auditor and management, which cannot be resolved by discussion, are these recorded in the action plan and the residual risk highlighted?	Where risk/issues or actions cannot be agreed, these are highlighted within the action plan of the relevant internal audit report and the Corporate Governance Committee made aware. This will be incorporated within the Internal Audit Charter for clarity.	Chief Internal Auditor	May 2019
11.	Does the annual report incorporate a comparison of work actually carried out with the work planned?	This action is difficult to achieve in practice as the Internal Audit plan changes during the year to correspond to changes in risk and priorities. Chief Internal Auditor to assess the effort required to perform this comparison, and if it is not excessive, the comparison will be included in the Annual Internal Audit report.	Chief Internal Auditor	May 2019

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Report To: Corporate Governance Committee

Date of Meeting: 21 November 2018

Lead Member / Officer: Lisa Lovegrove - Chief Internal Auditor

Report Author: Lisa Lovegrove - Chief Internal Auditor

Title: **Update Report – Project Management of 21st Century Schools**

1. What is the report about?

This report provides an update on progress in implementing the major risk action relating to Project Management of 21st Century Schools that featured within the Internal Audit Update report which was presented to this Committee in June 2018.

2. What is the reason for making this report?

This report is to provide information on how the Council is implementing improvements in the programme management of 21st Century Schools since the issue of the Internal Audit report. The audit report raised a major risk issue in relation to the governance of the 21st Century Schools Programme, so the Corporate Governance Committee requested a progress update report to ensure that the issue is being addressed. This is the first progress report.

3. What are the Recommendations?

The Committee to review progress with addressing the audit action.

4. Report details

A report accompanying the 'Highlight Report: 21st Century Schools Programme' to the Young People and Housing Board on 11 October 2018 detailed the re-establishment of the Modernisation Programme Board. Following agreement with the Senior Responsible Officer, the Modernisation Programme Board was re-established and it met on 24th September 2018. At this meeting, the parameters for reporting and various roles and responsibilities were agreed. It was also agreed that: for the delivery of Band B proposals, a review of the requirement for separate project boards is required, which will be based on each individual project's requirements. This is to oversee their establishment and progression through the design stages to delivery.

Based on strengthened governance and controls put in place, we no longer consider this to be a major risk issue.

The audit report also raised a moderate risk issue relating to absence of project management guidance. Guidance has been drafted which sets out when a project board is required and to clarify when it is permissible to "manage by exception" i.e. project manager can deliver the project within agreed tolerances which, if exceeded, must be escalated to the overarching programme board. The guidance will be presented to the Senior Leadership Team on 6 December 2018 and then circulated to officers undertaking a project management role.

Both agreed actions raised within the report have therefore been suitably addressed.

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.

Corporate Governance Committee Forward Work Programme

23 JAN 2019		Standing Items	
	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 (CIPFA update)	Head of Internal Audit – Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		Reports	
	5	Update Report – Joint Procurement Unit (Low assurance – requested at 06/06/18)	Head of Internal Audit – Lisa Lovegrove
	6	Annual RIPA (Regulation of Investigatory Powers Act 2000)	Head of Legal, HR and Democratic Services / Gary Williams
	7	Annual Treasury Management Strategy	Chief Finance Officer- Richard Weigh
	8	Closure of Statement of Accounts	Chief Accountant – Steve Gadd
	9	Annual Audit Letter	Wales Audit Office
06 MAR 2019		Standing Items	
	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	Head of Internal Audit – Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		Reports	
	5	Service Challenge – Service report	Head of Internal Audit – Lisa Lovegrove
	6	Budget Process	Chief Finance Officer- Richard Weigh
	7	Certification Of Grants and Returns 2017/18	Chief Finance Officer – Richard Weigh
10 APRIL 2019		Standing Items	
	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

Corporate Governance Committee Forward Work Programme

	3	Internal Audit Update (CIPFA update)	Head of Internal Audit – Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		Reports	
	5	WAO Annual Audit Plan	WAO
05 JUNE 2019		Standing Items	
	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 (CIPFA update)	Head of Internal Audit – Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		Reports	
	5	Health and Safety in Schools (Update requested at July meeting)	Head of Internal Audit – Lisa Lovegrove
	6	Annual Corporate Governance Committee Report	Head of Legal, HR and Democratic Services - Gary Williams
10 JULY 2019		Standing Items	
	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 (CIPFA update)	Head of Internal Audit – Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		Reports	
	5	Draft Statement of Accounts	Head of Finance- Richard Weigh
	6	Treasury Management	Head of Finance- Richard Weigh
	7	Annual report on the Constitution	Head of Legal, HR and Democratic Services - Gary Williams / Chief Internal Auditor – Lisa Lovegrove

Corporate Governance Committee Forward Work Programme

	8	Annual SIRO Report	Head of Business Improvement & Modernisation– Alan Smith
	9	WAO Annual improvement report	WAO/ Head of Business Improvement & Modernisation– Alan Smith
11 SEPT 2019		Standing Items	
	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 (CIPFA update)	Head of Internal Audit – Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		Reports	
	5	Approval of Statement of Accounts	Head of Finance – Richard Weigh
	6	Annual H&S Report	Head of H&S –Gerry Lapington
20 NOV 2019		Standing Items	
	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 (CIPFA update)	Head of Internal Audit – Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		Reports	
	5	Annual report on Whistle Blowing	Head of Legal, HR and Democratic Services / Gary Williams
	6	Annual RIPA (Regulation of Investigatory Powers Act 2000)	Head of Legal, HR and Democratic Services / Gary Williams
	7	Annual Governance Statement	Chief Internal Auditor – Lisa Lovegrove

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.

Corporate Governance Committee Forward Work Programme

Revised 08.11.18 SJ

Report To: Corporate Governance Committee
Date of Meeting: 21st November 2018
Lead Member / Officer: Monitoring Officer
Report Author: Gary Williams
Title: **Whistleblowing Policy – Annual Report**

1. What is the report about?

This report is about the operation of the Council's Whistleblowing Policy since the last annual report in November 2017.

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 which included a presentation to the management teams of the various services in the Council, a payslip message and the placing of information on the intranet. HR Business Partners continue to raise awareness of the policy at departmental management teams that they attend.

The last report to the Committee was made in November 2017 and covered the period from July 2016 to November 2017. During that period there had been no concerns raised under the Policy.

This report covers the period from 30th November 2017 to 31st October 2018.

In the period covered by this report there have been two concerns raised under the Policy. A summary of these concerns is set out in Appendix 1 to this report. Both of these concerns are currently being investigated through the Council's internal procedures.

It is recommended in accordance with Section 100A (4) of the Local Government Act 1972, that the Press and Public be excluded from the meeting during consideration of the following item of business because it is likely that exempt information as defined in paragraphs 13 of Part 4 of Schedule 12A of the Act would be disclosed.

The concerns were raised in respect of two separate schools and are different in their nature. There would not appear to be any connection between the two concerns nor any underlying theme that needs to be addressed.

Further work that is anticipated in the coming year include the development of a microsite for leadership and the Council's new induction process which will enable the highlighting of key policies and changes that have been made. This will be another tool which will help to maintain awareness of the policy. In addition, regular articles will appear on LINC to raise awareness of a number of our HR policies. The Whistleblowing Policy will be included in this.

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? The completed Well-being Impact Assessment report can be downloaded from the [website](#) and should be attached as an appendix to the report

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.

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By virtue of paragraph(s) 13 of Part 4 of Schedule 12A
of the Local Government Act 1972.

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