

To: Members of the Corporate
Governance Committee

Date: 28 February 2019

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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, 6 MARCH 2019** 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 23 January 2019 (copy enclosed).

5 INTERNAL AUDIT UPDATE (Pages 15 - 40)

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

6 BUDGET PROCESS (Pages 41 - 46)

To receive a report by the Head of Finance (copy enclosed) to inform members of the progress with respect to the delivery of the 2019/2020 budget and the process for future years.

7 CERTIFICATION OF GRANTS AND RETURNS 2017/18 (Pages 47 - 60)

To consider a report by the Chief Finance Officer (copy enclosed) which sets out a summary of the key outcomes from WAO's certification work on the Council's 2017/18 grants and returns.

8 REVIEW OF THE CORPORATE GOVERNANCE FORWARD WORK PROGRAMME (Pages 61 - 64)

To consider a report by the Chief internal Officer (copy enclosed) providing proposed Forward Work Programme for 2019-20 to reflect the Corporate Governance Committee's terms of reference and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Practical Guidance for Audit Committees.

9 INTERNAL AUDIT ANNUAL STRATEGY REPORT (Pages 65 - 94)

To consider a report by the Chief internal Officer (copy enclosed) providing the committee with the Internal Audit Charter and Strategy for 2019-20.

10 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME (Pages 95 - 98)

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

PART 2 - CONFIDENTIAL ITEMS

None

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
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LOCAL GOVERNMENT ACT 2000

Code of Conduct for Members

DISCLOSURE AND REGISTRATION OF INTERESTS

I, *(name)*

a *member/co-opted member of

*(*please delete as appropriate)*

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:-

*(*please delete as appropriate)*

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

*(See the note below)**

Signed

Date

*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, 23 January 2019 at 9.30 am.

PRESENT

Councillors Mabon ap Gwynfor, Tony Flynn, Alan James and Barry Mellor (Chair).

Councillor Hugh Evans, Leader and Lead Member for Economy and Corporate Governance was in attendance.

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

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

Councillor Mark Young Lead Member for Corporate Standards was in attendance.

Observer – Councillor Graham Timms

ALSO PRESENT

Head of Legal, HR & Democratic Services (GW), Chief Finance Officer (RW), Chief Accountant (SG), Chief Internal Auditor (LL), Senior Auditor (LH), Legal and Procurement Operations Manager (HM), Business Support Manager (EW) and Committee Administrators (SJ and RTJ).

Wales Audit Office Representatives – Gareth Evans and Matthew Edwards.

1 APOLOGIES

Apologies for absence were received from Councillor Martyn Holland, Joe Welch and Paul Whitham

Apologies for absence were received from Wales Audit Office representatives Derwyn Owen and Gwilym Bury.

2 DECLARATION OF INTERESTS

No declarations of interest were raised.

3 URGENT MATTERS

No urgent matters.

4 MINUTES

The minutes of the Corporate Governance Committee held on 21 November 2018 were submitted.

***RESOLVED** that the minutes of the Corporate Governance Committee meeting held on the 21 November 2018 be approved as a correct record.*

At this juncture it was agreed to vary the order of the Agenda.

5 ANNUAL REPORT ON THE CONSTITUTION TO INCLUDE THE TERMS OF REFERENCE

The Monitoring Officer (MO) introduced the Annual Report on the Constitution including the terms of reference (previously circulated) providing members with a review of its provisions, in particular, the application of political balance to the composition of the Cabinet.

The MO confirmed that the Corporate Governance Committee is as part of its terms of reference required to monitor and review the Council's Constitution. The report provided to members referred to updates to be made to the Constitution to take into account decisions of Council and Cabinet and any legislative or operational changes that had taken place since the last review.

It was highlighted that Council had passed a motion on 23rd October 2018 to ask Corporate Governance Committee to consider options on how the Constitution could be changed to remove the requirement for political balance in the Cabinet and report its conclusions to Full Council on 19th February 2019.

The MO guided members through Appendix 4 to the report, which highlighted the proposed changes to the constitution.

Members observed a complaints report had been regularly presented to Performance Scrutiny for debate with an annual overview of the complaints procedure received.

Members were in agreement that the Corporate Governance Committee should receive an annual report monitoring the complaints procedure and identifying any trends that may need to be considered. It was noted that any matters arising from such a report could be referred to Scrutiny Chairs and Vice Chairs to determine whether further scrutiny was required...

Members and the Chair confirmed they were in agreement with the proposed amendments.

The MO guided members through Appendix 1 to the report, which outlined the form and composition of the Cabinet. The current model adopted by Denbighshire was that of a 'strong leader model' in which the Leader has the authority to appoint Cabinet members.

It was confirmed that Denbighshire County Council was the only authority in Wales to have a requirement for a politically balanced Cabinet. There is no legal obligation for the Cabinet to remain politically balanced.

Following an in-depth debate the following points were discussed in greater detail:

- Members were in agreement that the Strong Leader Model was the most appropriate model to elect Cabinet members.
- All political parties had an input into the decision making process. Observers had been invited to talk and debate on matters at Cabinet. Members raised concerns that Denbighshire had been the only authority in Wales to have the political balance requirement.
- It was agreed that change had to be for the better. If change was agreed the outcome would have to provide better outcomes for residents of Denbighshire.

The majority of members felt the removal of the political balance requirement in the Cabinet would allow the Leader a wider scope of individuals to appoint on the Cabinet and provide more knowledge and expertise. Members noted that all had a role in decision making.

The Chair thanked officers for the detailed report and work that had been presented. Members appreciated the complexity of the subject.

Members proposed to recommend to Council the removal for the requirement of political balance with the continuation of the Strong Leader model adopted. Members voted and the proposal stood. It was therefore;

RESOLVED, that members

- i. Recommend to Council the removal of Political Balance in the Cabinet and that the “Strong Leader” model be adopted;*
- ii. agree the proposed changes to the Constitution as stipulated in Appendix 3 and 4 to the report.*

6 ANNUAL TREASURY MANAGEMENT STRATEGY

The Chief Finance Officer (CFO) introduced the Annual Treasury Management Strategy Statement (TMSS) Report (Appendix 1 - previously circulated) which showed how the Council would manage its investments and its borrowing for the coming year and sets out the Policies within which the Treasury Management function operate.

The Treasury Management Update Report (appendix 2) provided details of the Council’s Treasury Management activities during 2018/19.

The Chartered Institute of Public Finance and Accountancy’s Code of Practice on Treasury Management (the “CIPFA TM Code”) requires the Council to approve the TMSS and Prudential Indicators annually. The Corporate Governance Committee is required to review this report before it is approved by Council on 19 February 2019.

During discussion the following points were raised –

- Confirmation was provided that the report would be presented to full Council following members’ recommendation.
- The CFO stated that the Council used Arlingtonclose Ltd Treasury Advisers. The contract with the advisor agency had been renewed in January 2019 for three years.

- Denbighshire County Council borrowed money for Capital purposes only. Recent developments in the County have seen the Council borrow more funds.
- The Pension fund was a separate fund that had its own governance.

The Chair thanked the officers for the transparent report and acknowledged the hard work that the finance department had made in the findings of the report.

RESOLVED, that the Committee note the Treasury Management Strategy Statement for 2018/19, the Prudential Indicators 2019/20 to 2020/21. The Committee note the Treasury Management Update Report and confirm it has read, understood and taken account of the Well-being Impact Assessment as part of its consideration.

7 CLOSURE OF STATEMENT OF ACCOUNTS

The Chief Accountant (CA) introduced the report (previously circulated) providing a summary of the work involved in the financial year- end closedown process and to update members on the progress made towards the statutory early closedown of accounts. The report highlighted an agreed change to the way the Council deals with non-material errors that are identified during the audit that will affect the final Welsh Audit Office (WAO) report to Corporate Governance Committee.

The CA guided members through the report, highlighting the Welsh Governments proposal to bring forward the publishing dates of the Statement of Accounts. It was confirmed that progress had been observed last year to close the Statement of Accounts at an earlier date than the year before. The CA assured members the Council was making positive progress working towards earlier deadlines for the coming year.

The CA thanked the WAO representatives and officers for the support and work to ensure compliance to the earlier deadline had been met. It was confirmed a strong working relationship between Denbighshire Officers and WAO had been established for coherent working,

The WAO representative echoed the update from the CA, adding that communication with the Finance team would still remain transparent. Completing a clean set of accounts would remain the priority of the Council and WAO.

During discussion the following points were raised –

- Assurance was provided that deadlines to date had all been met and work to meet the target for 18/19 was on course.
- Work to transfer the core Statement of Accounts from a Word Document to an Excel Spreadsheet had begun. It was felt that this would speed up the process of compilation in the final month and help to eliminate typing errors.

RESOLVED that the Corporate Governance Committee receive the report and note, I. the progress made towards achieving the early closedown dates as stipulated by Welsh Government,

II. the change in approach in the way the Council deal with identifying accruals which has been agreed with WAO which involves implementing a de-minimis of £1,000 for mandatory accruals.

8 ANNUAL AUDIT LETTER

The Wales Audit Office (WAO) provided Members with an information letter (previously circulated) detailing the Annual Audit letter for Denbighshire County Council 2018-2019.

The WAO representative confirmed a report on the certification of grant claims and returns would be presented to Corporate Governance Committee once completed.

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

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

Meeting reconvened at 11:20 a.m.

9 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 the end of December 2018 on –

- Internal audit reports recently issued i.e. Risk Management, IT Procurement, Registration Service and Additional Learning Needs, Recoupment & Out of County Placements;
- Progress on Internal Audit work to date in 2018-19;
- Progress on counter fraud work including School Fund Certificates;
- Update on Internal Audit performance against set standards; and
- Update on progress with the CIPFA Good Practice for Audit Committees.

The following matters were discussed in more detail –

- Additional Learning Needs, Recoupment and Out of County Placements – The CIA confirmed the budget required for the need was a national issue. Cabinet members had been made aware of the current situation and risks had been monitored well to date.

- Risk Management - Members noted the work undergone to improve the Council's risk management. It was highlighted that risk management had worked well.
- IT Procurement – The CIA referred to the issues highlighted in the report. It was confirmed work had begun to address the issues raised in the audit with work to address the outstanding issues ongoing.
- Progress with Counter Fraud Work – The CIA confirmed that officers from the audit department had attended a fraud investigation skills course. Members observed that the fraud figures had increased. It was confirmed by the CIA that work with HR had continued to establish any trends. It was important to highlight the importance of reporting fraud. Members were pleased to note the work by officers on addressing fraud.
- School Fund Certificate – Requests to Schools for School fund Certificates had progressed. Work to obtain all school certificates continued.

Members thanked the CIA and the audit team for the continued work. Members felt it was important to highlight the importance of working with Welsh Government to address the national concerns regarding additional learning needs.

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

10 UPDATE REPORT - JOINT PROCUREMENT UNIT

The Chief Internal Auditor (CIA) introduced the report (previously circulated). The report provided members an update on progress in implementing the agreed action relating to the low assurance report “Joint Corporate Procurement Unit” that was presented to this Committee in June 2018.

The Legal and Procurement Operations Manager (LPOM) guided members through the report. The LPOM provided members with updates on each action that had been raised as part of the initial audit and emphasised the work that had been done to address the concerns highlighted.

The CIA confirmed, Flintshire had received the report. The Audit had been a reflection of a joint working relationship and it had been imperative that both authorities scrutinised the findings. The Monitoring Officer emphasised the work that had been established by the LPOM to improve the standards and address the concerns of the joint procurement unit. It was highlighted that further work was required to ensure robust working procedures. Members were informed of the importance of officers' understanding of the policies and procedures relating to procurement.

The Chair thanked the LPOM for the transparent and open explanation of the work that had been established to address the concerns initially raised. Members were pleased to see work had begun to establish a positive approach to joint working with Flintshire. It was noted that the internal audit department had scheduled a follow-up review to take place in March. The CIA confirmed that the findings of the review to be conducted in March would be presented to members following the findings.

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

11 INTERNAL AUDIT OF THE REGISTRATION SERVICE

The Chief Internal Auditor (CIA), introduced the report (previously circulated) providing members with details of the Internal Audit report on the Registration Service that received a 'Low' Assurance rating.

The Lead Member for Corporate Standards with the Legal and the Business Support Manager guided members through the Audit report.

The Lead Member welcomed the report and recognised the issues that it had raised. It was noted that the request for an audit had been made by the department to aid officers enhance the registration service the County provided. Members were informed that a number of changes in the service had been made.

The Monitoring Officer highlighted the issues that had been raised in the audit review had been noted and identified by the department for improvement. Work to improve the service had begun prior to the escalation meeting which had been noted as a positive approach to the report findings.

Members praised the work to develop the registration service and were pleased with the move to the Town Hall in Rhyl for registration purposes. Members congratulated the department for the work they had completed to promote the authorities registration services.

The Chair thanked the Lead Member and Officers for the transparent report. Praise was given for the request for an audit and support from members was given to enhance the registration service. Members agreed to monitor the audit action plan and requested an update report be provided to the committee in September 2019.

RESOLVED, that the Corporate Governance Committee;

I. Receives the report and notes its contents and

II. An update on the Joint Procurement Unit be included in the committees Forward Work Programme for September 2019.

12 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

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

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

March 2019 –

- Annual RIPA report. Including inspection report.
- Internal Audit Annual Strategy report.

5 June 2019 -

- Internal Audit Annual Report
- An update report on the Procurement Internal Audit Report

11 September 2019 –

- An update report on the Registration Service Internal Audit Report

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

The meeting concluded at 12:35 p.m.

Report To: Corporate Governance Committee

Date of Meeting: 06 March 2019

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. It also includes an update on progress with the CIPFA Good Practice for Audit Committees.

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.

That the Committee considers the results of the 2019 survey and how suggestions for improvement can be included in a Development Programme for 2019/20.

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.

The results of the recent survey on the effectiveness of the Corporate Governance Committee is summarised in the report within the CIPDA Good Practice for Audit Committees section. The summary focuses on the responses with the most disagreement or uncertainty about the question, which may indicate there is potential for improvement. It is for the Committee to decide what actions need to be included in its development programme using the survey results as a starting point. A further report setting out the development plan will be presented at a future meeting.

Appendix 2 report provides a list of the overdue internal audit actions as at 31 January 2019 as recorded on verto (performance management system), along with their status and the latest service progress 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

March 2019

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 January 2019 on:
 - Internal Audit reports recently issued:
 - Business Continuity & Emergency Planning
 - Progress on Internal Audit work to date in 2018–19;
 - Progress with improvement actions arising from 2018–19
 - Internal Audit performance standards.
 - CIPFA Practical Guidance for Audit Committees update

Internal Audit Reports Recently Issued

3. 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.

Business Continuity & Emergency Planning – November 2018

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

4. The Regional Emergency Planning Services was formed in 2014 by bringing together the six North Wales councils' emergency planning teams together to ensure a coordinated response to any major incidents in North Wales such as flooding, severe weather, power cuts, transport or industrial accidents. Flintshire County Council is the lead authority.
5. We conclude that there is suitable governance arrangements in place by way of a Corporate Business Continuity Group (CBCG), and a good working relationship between the Council and the Regional Emergency Planning Service with improved officer engagement and support.
6. The CBCG recently completed the annual review of the Service Business Continuity Plans (SBCP) with the exception of one service. The completed SBCP together with the lessons learned from the Caer Goch exercise (July 2017) and

the severe weather which disrupted travel during the winter of 2017 have been incorporated into the draft Corporate Business Continuity Plan.

7. Four moderate risk issues were raised which relate to:

- All Service Business Continuity Plans (SBCP) need to be completed prior to the Corporate Business Continuity Plan (CBCP) to ensure all risks identified by the individual services are included in the CBCP.
- Complete the actions arising from the test of the CBCP i.e. Caer Goch exercise (June 2017).
- Training for CBCG members on how to properly complete individual SBCP on the Resilience site to remove inconsistencies.
- CBCG members all need to have a nominated deputy to provide cover for each service should the main representative be unavailable.

Progress in Delivering the Internal Audit Assurance 2018-19

8. 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.
9. Where projects have been completed since 1 April 2018, the table provides assurance ratings and number of issues raised for the completed reviews.
10. The following projects have not yet commenced but are scheduled for the coming months:
- Housing Tenancy Fraud
 - SARTH (Single Access Route to Housing)

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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	7	7	Complete	Medium	0	0	5	
Business Continuity Management	16	18	Complete	Medium				Nearing completion
Homelessness	9	9	On hold					On hold until Q2 2019-20 as internal service review underway.
Housing Rents	49	49	Complete	Medium	0	0	4	
AONB Grant Certification	2	2	Complete	N/a				

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
Welsh Government Grant Certification: <ul style="list-style-type: none"> Pupil Deprivation Grant Education Improvement Grant 	12	12	Complete	N/a				
Section 106	44	45	Final	Low				Nearing completion
Welsh Transport Grant	14	14	Complete	Medium	0	0	3	
Single Access Route to Housing (SARTH)	1	10	Scoping					Matches from NFI exercise 2018-19 released. Due to commence shortly
Revenues and Benefits: <ul style="list-style-type: none"> Sundry Debtors Overpayments 	55	57	Complete	Medium				Nearing completion
School Governance	39	45	Draft					Fieldwork nearing completion
Grants Management	33	35	Draft					Fieldwork nearing completion
School Fund Management	20	25	Fieldwork					Nearing completion
Bridges and Structures	17	20	Draft					
Waste Management	2	10	Fieldwork					New Waste and recycling collection model

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
Legal Services Collaboration	9	15	Fieldwork					
Programme and Project Management	13	20	Fieldwork					Focus on benefit realisation
Financial Services: <ul style="list-style-type: none"> Treasury Management Payroll Accounts Payable Cash Receipting 	20	40	Fieldwork					Due to commence in January 2019
Supported Budgets (Direct Payments)	6	20	Fieldwork					
General Data Protection Regulations	3	20	Scoping					Due to commence shortly
Cyber Security	11	15	Fieldwork					Due to commence shortly
Contract Management	2	15	Scoping					Joint review with Flintshire County Council. Due to commence shortly
Projects Brought Forward from 2017-18								
Procurement	7	7	Complete	Low	0	1	1	Joint audit with Flintshire County Council of the shared service.
Project Management	5	5	Complete	Medium	0	1	1	

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
Learner Transport	24	24	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	
CCTV Partnership	1	1	Complete	Medium	0	0	3	
IT Procurement of Resources	17	18	Complete	Medium	0	1	3	
ALN & Inclusion / Recoupment & Out of County Placement / Special Education	54	55	Complete	Medium	0	1	2	
Pooled Budgets	2	5	Fieldwork					Nearing completion
Registrars	30	30	Complete	Low	0	2	2	
Court of protection	47	50	Draft					Additional work requested.
Fraud & Corruption Work								
National Fraud Initiative	23	40	Ongoing					Matches from 2018-19 exercise released, initial review underway
Housing Tenancy Fraud	5	10	Scoping					Matches from NFI exercise 2018-19 released. Review to commence shortly

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
General fraud enquiries and counter fraud work	76	80	Ongoing					
Follow-up Reviews								
IA project follow-ups	24	30	Ongoing					Includes devising new follow up process
Management of follow-ups	21	30						
Other Areas of Work								
School Fund admin & audits	54	60	In progress					
Corporate Governance Framework	16	20	2017-18 complete					See separate report on progress to date with the improvement actions.
Corporate working groups	25	35	In progress					
Consultancy & corporate areas	40	45	In progress					
IA Support & Management								
Team Meetings / 1:1s	61	65						
Management	35	40						
Training & development	30	40						
Total Days	1026	1229						

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

11. 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 January 2019. The progress and current status of the actions showing as overdue 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	16	15	14	93%	1
Community Support Services	7	7	7	100%	0
Communications Customers & Marketing	3	3	3	100%	0
Education & Children's Services	16	13	6	46%	7
Facilities Assets & Housing	30	25	23	92%	2
Finance	18	15	8	53%	7
Highways & Environmental Services	12	12	8	67%	4

Legal, HR & Democratic Services	36	22	9	41%	14
Planning & Public Protection	10	7	3	43%	4
Total	148	119	81	68%	39

Internal Audit Performance Standards

12. 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.

13. 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)	9.6
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)	2.8

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%	68%

CIPFA Practical Guidance for Audit Committees – Update

14. An online survey was developed based on the CIPFA Guidance template for evaluating the effectiveness of the committee and this was circulated to members of the Committee, Lead Members and Lead Officers who have attended the Committee along with Wales Audit Office representatives. There were 22 responses in total, out of a possible 39 (56%), this included a response from 5 out of the 6 Corporate Governance Committee members. A summary of the responses which highlight areas where responders were in least agreement is captured below:

Question	Yes	Partly	No	Don't know
Does each member of the Corporate Governance Committee have sufficient understanding of the Council's priorities and statutory obligations?	6	5	5	7
Are arrangements in place to support the committee with briefings and training?	9	5	0	4
Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	4	4	0	10
Do Elected Members (not just Corporate Governance Committee members) and officers understand that the Corporate Governance Committee has different roles and responsibilities to those of Scrutiny Committees?	10	8	0	0
Has the committee evaluated whether and how it is adding value to the organisation?	5	3	1	9
Does the committee have an action plan to improve any areas of weakness?	7	3	1	7
Suggestions for improvement:				
<ul style="list-style-type: none"> • “Could display a more robust level of challenge and questioning when dealing with governance failings/ weaknesses” • “Make it more visible, more information on what it does” 				

- “Unlike other scrutiny committees it is rare for non-committee members to attend. I believe it would be good for other Councillors to attend the occasional Corp Gov Committee meetings”

15. The North Wales Internal Audit Partnership has agreed to compare the results from each Council’s committee self-evaluation and effectiveness survey to explore the potential for coordinating committee members’ development with neighbouring councils e.g. through attendance at other Council’s equivalent meetings. The areas for improvement highlighted in the survey can be used to inform a development plan for the committee.
16. A review of the Committee’s forward work programme features as a separate agenda item. This provides a schedule for reports to Corporate Governance Committee meetings to ensure that the committee carries out its roles and responsibilities as set out in its terms of reference.

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Internal Audit Actions Overdue as at 31 January 2019

Internal Audit Actions

General Information

Contributing Services	Business Improvement & Modernisation, Community Support Services, Customers, Communications and Marketing, Education & Children's Services, Facilities, Assets & Housing, Finance, Highways & Environmental Services, Legal, HR & Democratic Services, Planning & Public Protection
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Business Improvement & Modernisation

General Information

Description	Internal Audit - Actions
Contributing Services	Business Improvement & Modernisation

Activities

IAABIM17a	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	31/03/19
	CIA has developed an annual Counter Fraud Plan and proactive fraud reviews incorporate into the Audit Strategy. In addition, CIA capturing fraud referrals she is made aware of and good communication now in place with HR about referrals they are made aware of. Counter Fraud update to Corporate Governance quarterly as part of the Internal Audit Update. Annual Fraud Report to be produced and reported to CET and Corporate Governance before June 2019.		30/01/19

Education & Children's Services

General Information

Status	None
Contributing Services	Education & Children's Services

Activities

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.			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
New Governance regulations in Wales have not been finalised. This will impact on IOG therefore activity held until this is resolved			14/12/18
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.			27/07/18
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. At the deadline date 53% of school staff had completed the training. Further work needed to ensure schools improve this percentage.			14/12/18
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			30/07/18
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 created and completed. Awaiting regional approval to include it on the regional school management review tool. Expected date of completion Feb 2019			14/12/18
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.			02/07/18

Facilities, Assets & Housing

General Information

Contributing Services	Facilities, Assets & Housing
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Activities

	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
	Following review from Legal and Procurement in Q3, some of the terms of the contract have had to be revisited, and the pricing structure revised due to its complexity. All documentation is now complete and with Legal for final sign off. Proactis system has been updated and is ready to go live. Pending Legal approve the revised documents, the Framework will go live on Sell2Wales mid-February.			07/02/19
	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
	Following approval in principle from Headteachers during Q2, Cluster Business Finance Managers have approved Catering Services to access ParentPay for the Prestatyn, the Welsh and Denbigh & St.Asaph Clusters. Contact has been made with Cluster Business and Finance Managers for Llangollen, Ruthin and Rhyl to request access to ParentPay in these areas. It is anticipated this will progress during Q4.			07/02/19

Finance

General Information

Contributing Services Finance

Activities

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.			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 to comprise of an annual report of ASPs to Chairs and Vice Chairs for them to decide the appropriate committee to monitor. A larger piece of work is also required to assess existing ASPs, Partnership etc to ensure mechanism in place for scrutiny by the appropriate committee or level of management. A report will be produced for Corporate Governance Committee by the November meeting outlining the agreed mechanism			07/06/18
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.			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
AP has completed their bit of this in terms of renaming the Creditor records. There are still further actions on the project that are being completed by Finance) and Audit. 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			05/06/18
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.			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
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

Highways & Environmental Services

General Information

Contributing Services Highways & Environmental Services

Activities

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
	77% of schemes done, 14% are either on site or in design / programmed. 9% of schemes have been deferred (6% for reasons beyond our control and 3% because site conditions have changed and we are no longer able to do the work as planned)		07/01/19
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		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 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).		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
	We are currently going through submitted tenders and will be awarding a new contract in the coming quarter.		30/01/19

Legal, HR & Democratic Services

General Information

Contributing Services Legal, HR & Democratic Services

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
	This has been halted pending legal advice on retention of files for reference purposes specifically for rolls that work with children and vulnerable adults		14/02/19
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
	We are currently working on a report for SLT on a proposal for Grey Fleet Checks so that we can have a definitive position on what is required.		14/02/19
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
	We are currently working on a report for SLT on a proposal for Grey Fleet Checks so that we can have a definitive position on what is required.		14/02/19
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
	We are currently working on a report for SLT on a proposal for Grey Fleet Checks so that we can have a definitive position on what is required.		14/02/19
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
	We are currently working on a report for SLT on a proposal for Grey Fleet Checks so that we can have a definitive position on what is required.		14/02/19
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
	We are currently working on a report for SLT on a proposal for Grey Fleet Checks so that we can have a definitive position on what is required.		14/02/19
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
	We are currently working on a report for SLT on a proposal for Grey Fleet Checks so that we can have a definitive position on what is required.		14/02/19
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		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
	Ongoing, next report to Corporate Governance January 23		15/01/19
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
	Been redrafted and currently subject to officer review.		15/01/19
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	25/01/18	25/01/18

		any case brought against the Council, leading to potential increased costs and damages		
IAALHRD36a		Registration Service to consider options with regards to the telephone answer message to improve the customer experience and consider GDPR implications (IAA ref 4.6)	01/12/18	31/12/18

Planning & Public Protection

General Information

Contributing Services | Planning & Public Protection

Activities

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.		06/11/18
IAAPPP05a	D151630f-Housing Enforcement: Modernisation of the payment process for Houses in Multiple Occupancy licences.	01/04/18	31/03/19
	Website is continuing to be re-developed which includes the method of payment for licensing fees.		21/01/19
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
	Approximately 50% complete. To be completed by end of Q4.		21/01/19
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
	Case conference being held April 2019		21/01/19

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Report To: Corporate Governance Committee

Date of Meeting: 6th March 2019

Lead Members / Officers: Julian Thompson-Hill

Report Author: Richard Weigh

Title: Budget Process 2019/20 and Preparations for 2020/21

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

To provide an overview on the process to set the budget for 2019/20 and preparations for the 2020/21 budget.

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

The Corporate Governance Committee has an oversight role in respect of the council's budget process. The report explains the process that delivered the 2019/20 budget and gives an update on progress for 2020/21.

3. **What are the Recommendations?**

To consider the process and comment as appropriate.

4. **Report details**

In recent years, various approaches have been applied to budget setting, from a form of zero based budgeting underpinning the Freedom and Flexibilities process, to equalised efficiency targets across services in the last two years. Both approaches were supported by corporate financing savings and the prudent use of cash. However, within the context of ongoing funding reductions, external cost pressures and increasing demand in key areas, the process to set the council's budget and to determine the medium term financial strategy has been revised.

In January 2018, an internal board called the Reshaping the Council Board was 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

The Terms of Reference of the Board have been previously circulated to the Corporate Governance Committee.

It is important to note that the Board is not a decision making body. Any proposals arising from the work of the Board will follow existing approval routes and will need to comply with existing consultation and wellbeing assessment requirements, etc.

The Board meets regularly and considers the immediate requirements to deliver a budget annually but in the context of a wider strategic view. In addition, the Chief Executive and the council's SLT have developed a set of principles to support the strategic budget process. These will be reflected in the next published Medium Term Financial Strategy document but encompass an evidence and outcome based process with an emphasis on the council taking an enterprising and pro-active approach as possible, to help limit the impact of funding cuts on frontline services and priorities.

The budget process and strategic direction is informed and influenced by the Medium Term Financial Plan. This quantifies key assumptions underpinning funding and costs over three/four years and identifies the potential budget gap in each year. The Board considers the key assumptions underpinning the MTFP and endorses amendments if circumstances or risks change throughout the year.

The approach taken to begin the process for 2019/20 initially involved services modelling the impact of a funding cut. This, along with detailed analysis of service budgets, income and reserves and strategic consideration by the Board, resulted in a number of proposals being developed in a phased approach throughout the year. The aim was to ensure a range of options were available when the level of funding from Welsh Government was confirmed in the autumn.

The level of financial settlement from the Welsh Government has the most significant impact on funding as it accounts for around 75% of the council's net budget. As there are generally no forward planning or indicative figures for future years, the council has to assess what the central case settlement might be and build plans around it. Provisional notification of the settlement is provided in October and gives more certainty of the position for the following year. At this point in the year, the budget process will have already identified and developed a range of saving proposals that can be taken forward if required.

The budget process for 2019/20 followed this approach. The council's assessment of the level of settlement was correct and so in October, saving proposals of £5.7m had been identified and could be taken forward. During the year, pressures grew significantly in children's services and school transport and these were recognised in the MTFP, as were additional funding pressures in other areas such as teachers' pay and pensions, waste and the increase Fire & Rescue levy.

The resulting position meant that a budget package was ready for recommendation to Cabinet on 22nd January which was then approved by the full council the following week.

During the year, elected members were briefed at three budget workshop sessions, including one early in January where the final package proposed was explained in detail.

Planning for the 2020/21 process has already begun with the Board considering an outline timetable and detailed approach. A copy of the draft timetable is attached – but must be emphasised it is a draft still to be finalised. It does, however, give an idea of the dates and milestones.

The same approach to managing the MTFP assumptions will continue and thus far, the Board has endorsed amendments to funding assumptions so that the level of funding settlement is 0% and the planning assumption for Council Tax is 3.8%. This results in a potential budget gap of £5.4m but is indicative insofar as a number of cost pressure assumptions have yet to be updated. It is likely the budget gap will increase unless the funding position improves.

Key to the funding position in the medium term is the Comprehensive Spending Review at a UK level. This will take place during 2019 but a date is not yet set. This will determine how much is allocated to government departments for the forthcoming three/four years, including the devolved administrations. This will confirm the level of funding to the Welsh Government, who in turn will set its budget plans, including the level of funding to local government.

The council's budget process must be flexible enough to deal with a range of eventualities and will therefore continue to develop the approach that successfully delivered the 2019/20 budget.

The budget process timetable attached includes provision for a number of member engagement sessions throughout the year. Feedback from the 2019/20 process indicates that members wish to include in these sessions further analysis and details of key service pressure areas and this will be factored into the programme. Members also highlighted the potential for wider public engagement and consultation and an approach to this is currently being developed.

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

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

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

Based on current assumptions, the council is facing a potential budget gap of over £6m for each of the next three years.

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

Not applicable for this report. The budget process involves an assessment to inform whether individual budget proposals require an impact assessment. It is for Heads of Service to make this determination initially with further examination by the Budget Board to ensure consistency and appropriateness.

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

Regular reports to CET, SLT and Cabinet Briefing. A budget briefings for all elected are planned. Trade unions will be consulted via the Corporate Joint Meetings. Public engagement will be supported by general information on the council's website and there will be specific engagement where appropriate or required on proposals affecting service delivery. Corporate Governance Committee have an oversight role with regard to the budget process.

9. **Chief Finance Officer Statement**

A revised approach to the budget process was necessary to recognise the ongoing financial pressure the council is facing. The requirement to set a balanced budget annually must be framed within a wider strategic direction and the new Board is the vehicle to provide this. The process worked well for the 2019/20 budget.

The financial pressures the council is facing are driven mainly by external factors. While the uncertainty over the level of funding from the Welsh Government from year to year is problematic from a financial planning perspective, it is hoped there will be more recognition of the scale of the pressures facing councils going forward.

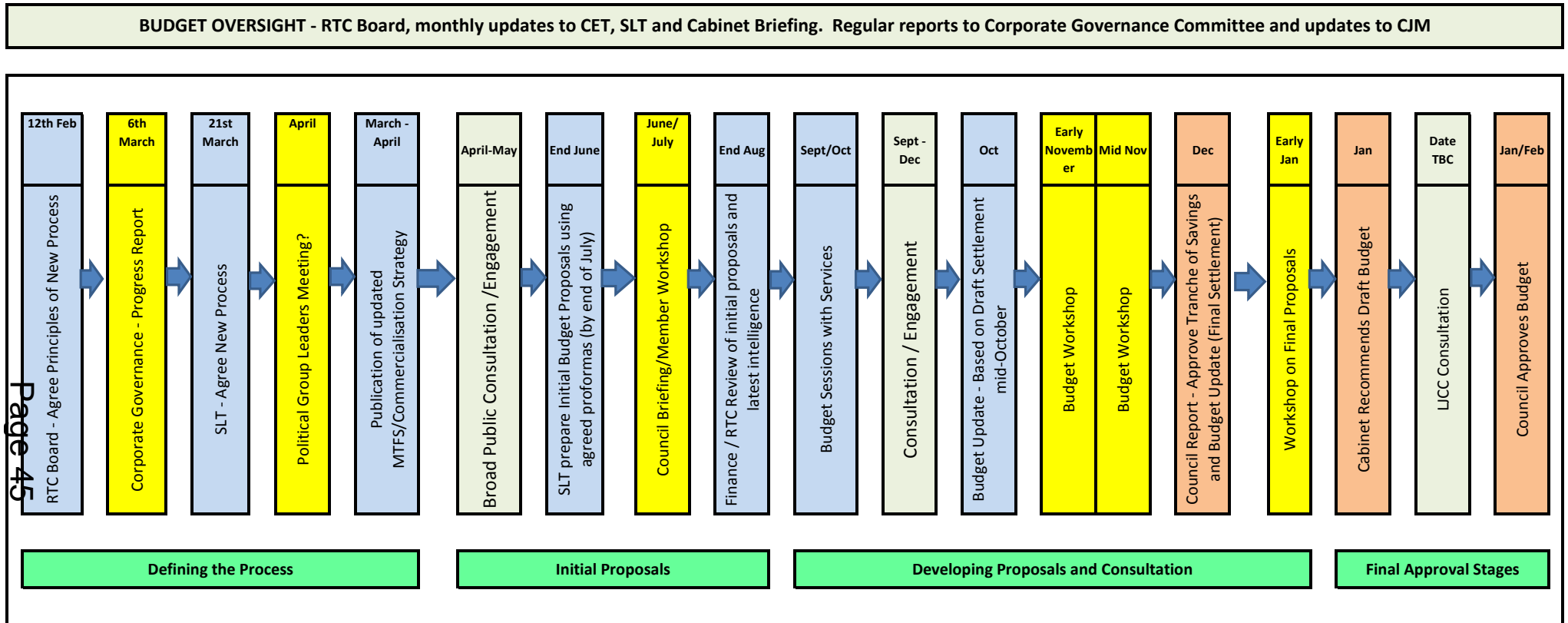
10. **What risks are there and is there anything we can do to reduce them?**

The budget process itself is a risk management measure with the aim of identifying, assessing and agreeing budget proposals in a planned and timely way. The process allows some flexibility in response to the funding settlement.

11. **Power to make the Decision**

Section 151 of the Local Government Finance Act 1972.

APPENDIX 1 PROPOSED BUDGET PROCESS 2020/21 (DRAFT)



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Report To:	Corporate Governance Committee
Date of Meeting:	6 th March 2019
Lead Member / Officer:	Councillor Julian Thompson-Hill / Richard Weigh, Head of Finance
Report Author:	Steve Gadd, Chief Accountant
Title:	Certification of Grants and Returns 2017-18 Denbighshire County Council

1. What is the report about?

A report entitled 'Certification of Grants and Returns 2017-18 – Denbighshire County Council' has been prepared by the Wales Audit Office (WAO) and is attached. The report sets out a summary of the key outcomes from WAO's certification work on the Council's 2017/18 grants and returns.

2. What is the reason for making this report?

WAO have requested that this internal report is brought on an annual basis to this committee. The report is provided for information.

3. What are the Recommendations?

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

4. Report details

The WAO report sets out a summary of the key outcomes from WAO's certification work on the Council's 2017/18 grants and returns and is for the internal use of Denbighshire County Council. The report summarises the key findings and recommendations coming out of this work.

The report finds that the Council has good arrangements in place for the production and submission of the 2017/18 grant claims. The Council accepts the two recommendations relating to the Housing Benefit claim and have agreed actions and responsible officers to address the issues.

The only adjustment over £10k related to the Housing Benefit Subsidy claim. The amendment of £13,559 was based on an actual error identified of £393 in overpaid housing benefit, which was then extrapolated across the population tested.

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

Grant Funding is vital in funding expenditure in areas such as education and schools, highways and the environment and regeneration. The WAO report helps give assurance that there are adequate arrangements in place within the Council to administer the grant process.

- 6. What will it cost and how will it affect other services?**
The fees for work undertaken by the WAO in respect of the certification of grants and returns for 2017-18 are included in the report.
- 7. What are the main conclusions of the Well-being Impact Assessment?**
It is the professional judgement of the Section 151 Officer that a Well-being Impact Assessment is not required for this report.
- 8. What consultations have been carried out with Scrutiny and others?**
WAO work closely with DCC throughout the audit process and DCC are kept fully up to date with any issues that arise from WAO audit work relating to grants and returns.
- 9. Chief Finance Officer Statement**
The WAO report on the Council's grants and returns is for internal use by the Council in order to help focus on any areas of risk or weakness. It is pleasing to note that the report concludes that the Council has good arrangements in place. Recommendations and comments in the report have been reviewed and acted upon. The fees are an existing budget commitment for the authority.
- 10. What risks are there and is there anything we can do to reduce them?**
The audit process should highlight any significant risks and the management response to addressing or minimising the risk or impact.
- 11. Power to make the Decision**
Section 151 of the Local Government Act 1972 requires that the council has proper financial management arrangements in place. Under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006 the Auditor General shall, if required by a local government or other grant-receiving body, make arrangements for certifying claims and returns.



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Certification of Grants and Returns 2017-18 – **Denbighshire County Council**

Audit year: 2018

Date issued: February 2019

Document reference: 1066A2019-20



This document has been prepared as part of work performed in accordance with statutory functions.

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

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

The team who delivered the work comprised of Derwyn Owen, Matthew Edwards, Gareth Evans and other members of the Wales Audit Office team.

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Summary

- 1 Under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006 the Auditor General shall, if required by a local government or other public body, make arrangements for certifying claims and returns (referred to as claims, hereafter).
- 2 We undertook our work with the aim of certifying individual claims and to answer the question:
'Does Denbighshire County Council (the Authority) have satisfactory arrangements in place to ensure the production of co-ordinated, accurate, timely and properly documented grant claims?'
- 3 We have completed our certification work and conclude that the Authority has good arrangements in place for the production and submission of its 2017-18 grant claims. We have made two recommendations and we continue to work with the Council to make further improvements in readiness for the 2018-19 grant claim certification audit. Our conclusion for 2017-18 is based on the following overall findings:
- the Authority worked closely with us to ensure that an accurate and up-to-date schedule of 2017-18 grants was in place throughout the year; and
 - our testing only identified errors of a relatively minor nature.
- 4 We certified seven claims, collectively worth £108.1 million. The Authority submitted all of them on time and we certified them at a total cost of £48,937 (£65,359 in 2016-17). The total cost excludes fees relating to the ongoing audit of two additional Coastal Protection grants (totalling £1.2 million). The submission and certification deadlines for the Coastal Protection grants differ from the other Welsh Government grants that are subject to audit. We will report our findings on this outstanding audit work in 2018-19 report.
- 5 Of the seven claims certified, only one claim was qualified. This compares well with the long-term Welsh average of 1:4.

Headlines

Introduction and background	<p>This report summarises the results of work on the certification of the Authority's 2017-18 grant claims and returns</p> <ul style="list-style-type: none">• We certified seven claims with a total value of £108.1 million.• We provided the officers with a comprehensive Good Practice Grant Checklist to be included on each claim file. The Grant Checklist highlighted the key areas we would review.• We have produced this report to provide collective feedback to those officers having the responsibility for grant management so that we can work together to identify further improvements in claim preparation.
Timely receipt of claims	<p>Our analysis shows that 100% of claims given to us during the year were received by the deadline set for the Authority in terms and conditions.</p>
Certification results	<p>We issued unqualified certificates for six claims and returns, but a qualification was necessary for the Housing Benefit Subsidy return.</p> <p>The reasons for qualifying the claim can be grouped into ongoing issues reported in previous years and issues which have come to our attention for the first time:</p> <p>Qualification issues reported in previous financial years</p> <ul style="list-style-type: none">– Errors were identified in the way that the Authority were calculating earned income where the claimant or partner was contributing to an occupation pension scheme.– The Authority continued to calculate the average weekly rent for Cell 229 of the claim using a method different to that prescribed in the statutory instrument. <p>Qualification issues reported for the first time in 2017-18</p> <ul style="list-style-type: none">– An error was identified in the calculation of a claimant's earnings which resulted in an overpayment of housing benefit.

	<p>In addition to the one claim qualified, we issued a ‘Certification Feedback Note’ in respect of three grant claims:</p> <ul style="list-style-type: none"> – 21st Century Schools; – Summary of Certified Welsh Government Grants; and – Social Care Workforce Development Programme. <p>A certification feedback note is a letter issued to the Section 151 Officer following the identification of low value errors and non-qualification issues for Welsh Government claims and returns, in which we recommend improvement to the stewardship of future claims.</p>
Claim adjustments	<p>Adjustments were not necessary to any of the Authority’s claims as a result of our work this year</p> <p>There were no significant adjustments (ie over £10,000).</p>
The Authority’s arrangements	<p>The Authority has good arrangements for preparing its claims and returns and supporting our certification work.</p> <p>We acknowledge the Authority’s (including staff employed by Civica) assistance and co-operation during the audit. Our queries were responded to in a timely manner and working papers provided were generally of a good standard.</p>
Fees	<p>Our overall fee for certification work for 2017-18 is £48,937 which was less than our estimate of £60,000 reported to you in our 2018 Audit Plan. (This excludes any fees associated with the audit of the two outstanding Coastal Protection grant claims referred to earlier in the report).</p>

Summary of certification work outcomes

- 6 The following page provides a summary of the key outcomes from our certification work on the Authority's 2017-18 claims and returns, showing where either amendments were made or where we had to qualify our audit certificate.
- 7 A qualification means that issues were identified concerning the Authority's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant-paying body will require further information from the Authority to satisfy itself that the full amounts of grant claimed are appropriate.

Key information for 2017-18

Overall, we certified 7 grants and returns:

1 claim required a qualification to our audit certificate.

6 claims were unqualified with no amendment.

1 claim was unqualified but required amendments.

3 Welsh Government claims had errors with low values (less than £10k) which did not require amendment or qualification.

3 Certification Feedback Notes were issued to the Section 151 Officer.

8 This table summarises the key issues behind each of the adjustments or qualifications that were identified during our work.

Ref	Summary observations	Amendment
1.	<p>Housing Benefit Subsidy (BEN01)</p> <p>The Housing Benefit Subsidy claim was qualified due to the identification of a number of minor errors:</p> <ul style="list-style-type: none"> • There was an unexplained difference of £221 between the amount of Rent Rebate subsidy claimed and the amount granted per the Authority’s software supplier’s reconciliation of benefit granted to paid. The Authority had claimed the lower of the two amounts. • Our testing identified an error relating to the calculation of earnings, which meant we needed to extend the sample sizes. The actual error totalled £393 in overpaid housing benefit, that increased to £13,559 when extrapolated across the population tested. Additional testing identified two further errors in the calculation of earnings with both resulting in underpayments. <p>Our qualification letter to the Department for Work & Pensions (DWP) also included the following observations:</p> <ul style="list-style-type: none"> • Underpaid Housing Benefit, due to the Authority incorrectly calculating a claimant’s earnings where pension contributions were applicable. Under our certification instruction from the DWP, we are not required to undertake additional testing on underpayment errors. We reported similar findings to the DWP in our 2016-17 qualification letter. • The Authority advised that the housing system is unable to calculate the average weekly rent in accordance with the statutory definition and instead calculates the entry for cell 229 of the subsidy claim using an alternative method. 	<p>£13,559 (extrapolated error). This error does not impact on the Authority’s overall subsidy entitlement.</p>

Ref	Summary observations	Amendment
	The issues highlighted during the 2017-18 audit have been discussed separately with Civica staff who administer Housing Benefit on the Authority's behalf.	
2.	<p>National Non-Domestic Rates (NNDR) (LA01)</p> <p>The Non-Domestic Rates Final Contributions Return was amended due to:</p> <ul style="list-style-type: none"> • a transposition error between 2 rows on the return; and • a row required a zero inserting having been left blank on the original return. <p>These errors did not impact on the Authority's final annual contribution to the NNDR pool.</p>	£0
	Total effect of amendments to the Authority's claims and returns	£0

Recommendations

9 We have given each recommendation a risk rating and agreed what action management will need to take. We will follow up these recommendations during next year's audit.

Priority 1	Priority 2	Priority 3
<p>Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements.</p> <p>We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.</p>	<p>Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action.</p> <p>You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.</p>	<p>Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system.</p> <p>These are generally issues of best practice that we feel would benefit you if you introduced them.</p>

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Housing Benefit claim calculation errors – specifically around the calculation of earnings	<ul style="list-style-type: none"> Loss of subsidy – reimbursement from the DWP may be reduced Claim may be qualified 	R1 The Authority should ensure that pre-payment quality checking measures are sufficiently comprehensive to identify any errors and potential training requirements, which should then be addressed as a priority.	2	On a weekly basis 4% of the cases processed are Quality Checked by an external source. We are currently submitting a higher percentage of cases for Quality Assurance checks each week. Any errors found are identified and addressed in our training matrix as a priority.	Jeanette Round – Ongoing

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
	<ul style="list-style-type: none"> Vulnerable residents may not be receiving the full amount of Housing Benefit (and CTRS) to which they are entitled. 	R2 The Authority should undertake a review of all earned income claims where an occupational pension is present, to ensure that the correct award of benefit has been made.	2	All staff were made aware of the issue Audit raised and how to address these types of claims going forward. A review of claims where occupational pension is present is underway.	Jeanette Round – 31 st March 2019.

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Report To: Corporate Governance Committee

Date of Meeting: 6 March 2019

Lead Member / Officer: Lisa Lovegrove, Chief Internal Auditor

Report Author: Lisa Lovegrove, Chief Internal Auditor

Title: **Forward Work Programme 2019-20**

1. What is the report about?

This report provides the proposed Forward Work Programme for 2019-20 to reflect the Corporate Governance Committee's terms of reference and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Practical Guidance for Audit Committees.

2. What is the reason for making this report?

The forward work programme needed to be updated to reflect the CIPFA Practical Guidance for Audit Committee requirements and ensure that the schedule of agenda items covers all aspects of the committee's role and responsibilities as set out in its terms of reference.

3. What are the Recommendations?

The Committee reviews the proposed forward work programme for 2019-20, suggests any amendments and approves its adoption.

4. Report details

Appendix 1 includes a table showing the schedule of reports for the Corporate Governance Committee in 2019-20. This reflects the terms of reference for the Corporate Governance Committee which were recently updated to align with the CIPFA Practical Guidance for Audit Committees.

Key activities reflected in the work programme include:

- Satisfying itself that the Annual Governance Statement reflects the Council's arrangements and position
- Monitoring the effectiveness of the internal control environment and assurance obtained regarding its operation
- Consider the activities of risk management
- Ensuring Internal Audit is independent and effective
- Review the responsibilities of Internal Audit and ensure that it has the necessary resources to enable it to function in accordance with professional standards
- Review the internal audit strategy and receive reports on the results of internal audit work
- Review the Council's arrangements for managing the risk of fraud
- Reviewing the external auditor's (Wales Audit Office) annual audit plan and ensuring it is consistent with the scope of the audit engagements
- Reviewing the results of the external auditor's work

- Reviewing the financial statements and the external auditor's opinion on the statements
- Consider external audit and inspection recommendations and ensuring that these are fully responded to
- Reviewing and monitoring treasury management arrangements

If issues arise during the year, reports may be added to the Committee's agenda with the agreement of the Chair of Corporate Governance Committee.

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

Helps to ensure the Corporate Governance Committee achieves its terms of reference and provide adequate oversight of the Council's governance arrangements, internal control environment, risk management etc. so that the Council operates effectively.

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

Not applicable - there is no cost attached to this report.

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

This report does not require a decision or proposal for change, so there is no impact.

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

The forward work programme has been reviewed in consultation with the Monitoring Officer, Head of Finance/Section 151 Officer, Democratic Services Manager, Chair and Vice Chair of Corporate Governance Committee.

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 Corporate Governance Committee aims to meet the standards established by the Chartered Institute of Public Finance and Accountancy (CIPFA). The maintenance of a work programme which is consistency helps the Corporate Governance Committee ensure it achieves its terms of reference.

11. Power to make the Decision

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

Draft Forward Work Programme 2019-20

Topic	10 April 2019	5 June 2019	10 July 2019	11 Sept 2019	20 Nov 2019	Feb 2020	March 2020
Wales Audit Office	Annual Audit Plan		WAO Annual Improvement Report	Audit of Financial Statement Report			Certification of Grants & Returns 2017/18
Treasury Management			Treasury Management			Treasury Management Strategy	
Finance			Draft Statement of Accounts	Approval Statement of Accounts	Budget Update		Budget Process
Internal Audit	Internal Audit Progress Update	Internal Audit Progress Update	Internal Audit Progress Update	Internal Audit Progress Update	Internal Audit Progress Update	Internal Audit Progress Update	Internal Audit Progress Update
		Internal Audit Annual Report	Annual Fraud Report				Internal Audit Strategy & Charter
Governance and Risk Management	AGS	Annual Corporate Governance Committee report	Annual Report on the Constitution	Annual H&S Report	Annual Report on Whistleblowing	AGS Improvement Plan Update	
	Corporate Risk Management Update		Service Challenge Summary Report – FOR INFORMATION	Annual SIRO Report	Annual RIPA report		
					Annual Complaints Report & Ombudsman's Annual Letter		
Issues referred by Scrutiny Committee (if any)/ Recent External Regulatory Reports (if any)							
Other reports requested	Joint Procurement Unit Follow Up Audit	Health & Safety in Schools Follow up Audit		Registration Service Follow Up Audit			

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Report To:	Corporate Governance Committee
Date of Meeting:	6 March 2019
Lead Member / Officer:	Lisa Lovegrove – Chief Internal Auditor
Report Author:	Lisa Lovegrove – Chief Internal Auditor
Title:	Internal Audit Charter & Strategy 2019-20

1. What is the report about?

This report provides the Committee with the Internal Audit Charter and Strategy for 2019-20. The Charter defines Internal Audit's purpose, authority and responsibility in line with the Public Sector Internal Audit Standards. The Strategy provides details of the proposed Internal Audit projects for the year that will allow the Chief Internal Auditor to provide an 'opinion' on the adequacy and effectiveness of the Council's framework of governance, risk and control during the year.

2. What is the reason for making this report?

Local Authorities subject to the Account and Audit (Wales) Regulations must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal controls. The Charter has been updated to capture the requirements of the Public Sector Internal Audit Standards (PSIAS) as highlighted in the recent external assessment. The Strategy contains a risk-based internal audit plan that takes into account the PSIAS requirement to deliver an annual internal audit opinion and report that the organisation can use to inform its governance statement. This Committee's terms of reference require it to consider internal audit's plans.

3. What are the Recommendations?

The Committee approves the Internal Audit Charter (Appendix 1) and the Internal Audit Strategy 2019-20 (Appendix 2)

4. Report details

The main changes to the Charter in Appendix 1 are summarised below:

- Update the resources section to incorporate the reporting arrangements if there are insufficient resources;
- Inclusion of a section to cover the Internal Audit plan and reporting process;
- Include clarification that where issues/actions cannot be agreed with officers, that these are highlighted within the action plan of the relevant internal audit report and the Corporate Governance committee are made aware.
- Update to the Quality Assurance Improvement Programme section regarding recent external assessment results.

The Strategy in Appendix 2 provides background to the internal audit service as well as its proposed plan of work for the year based on an assessment of risk and consultation with services.

The proposed plan of work will allow the Chief Internal Auditor to provide an overall 'opinion' for the annual internal audit report for 2019-20. This Committee will receive regular information reports on progress.

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 Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report

This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

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

The Chief Internal Auditor has consulted with Corporate Directors, Section 151 Officer, management teams of all services and Wales Audit Office.

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?

Failure to deliver an adequate level of internal audit may mean that the Chief Internal Auditor cannot provide an annual 'opinion' on the adequacy and effectiveness of the Council's framework of governance, risk and control during the year. This would potentially lead to a significant governance issue being raised in the Council's 'annual governance statement' at the end of the financial year.

11. Power to make the Decision

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

Internal Audit Strategy 2019-20

Introduction

1. The Internal Audit Service is an independent and objective internal team that provides assurance and advice to all levels of management and elected members on the quality of operations within the Council. We particularly focus on governance, risk management, performance, improvement, efficiency, and operational and financial control.
2. The Internal Audit Charter sets out the purpose, authority and principle responsibilities of the Internal Audit Service.
3. An important aspect of internal auditing is the extent to which it helps the organisation to achieve its objectives and improve. This means that the internal audit plan and the work of internal audit must focus on the things that matter to the organisation, and the opinions and improvement suggestions that internal audit provide must help the organisation and be valued by stakeholders.
4. This Internal Audit Strategy represents the proposed internal audit activity for the year and gives an outline scope of coverage. At the start of each audit the scope is discussed and agreed with management with the view to providing management, the Head of Finance (Section 151) and members with assurance on the control framework to manage the risks identified. The plan will remain flexible and any changes will be agreed with management and reported to the Corporate Governance Committee.
5. The service's objectives are therefore as follows:

Internal Audit's objectives

Provide independent assurance and advice to management and elected members on risk management, governance and internal control.

Develop and promote our role to make a significant contribution to the Council's aim to modernise and deliver efficiencies and improve services for our customers.

Add value in all areas of our work, providing excellent service to our customers.

6. The service maintains a resource of six full-time equivalent (FTE) members of staff. During the year, one of the Auditor posts has been

deleted (vacant post from January 2019) and a new Senior Auditor post has been created. This vacant post is currently being advertised. A reduction in resource as well as the team’s involvement in three investigations has impacted the completion of some priority projects. Once the Senior Auditor role is filled, the team will be in a stronger position to audit the complex areas which make up the audit plan. The annual resource available for Internal Audit will then be 928 days i.e. productive days after taking into account non-working days such as annual leave and training.

High Level Audit Plan

7. Given the limited resources, it is increasingly important that the Internal Audit Service is directing its resource to the right place. The table below shows a summary of planned audit coverage for the year. It should be borne in mind that the plan is flexible to ensure that it reflects any emerging or changes to risks and priorities of the Council. To this end, it will be regularly reviewed with services, and updated as necessary, to ensure it remains valid and appropriate to ensure that internal audit resource is deployed effectively. See also, Appendix 1 – Audit Needs Assessment.

8. We have set out the plan based on the current organisational structure for the Council. Detailed scoping documents will be drawn up and agreed with management prior to the start of each assignment – in this way we can ensure that the key risks to the operation or function are considered during our review. As a result, the indicative days allocated here for each audit is subject to change. The following pages give a brief overview of the focus of proposed audit coverage for the year.

Core Activity for Internal Audit Review	Coverage (in days)
Business Improvement & Modernisation	55
Community Support Services	95
Corporate areas and corporate risks	91
Customers, Communication & Marketing	15

Education & Children's Services	75
Facilities, Assets & Housing	80
Finance – key financial systems	105
Highways & Environment Services	55
Legal, HR & Democratic Services	49
Planning & Public Protection	30
Anti-fraud and corruption work including National Fraud Initiative (NFI) – <i>see next section</i>	90
Grant certification work	18
Follow up work	50
Consultancy work, committee meetings, Annual Governance Framework etc.	140
Total Internal Audit Plan	948

Anti-Fraud & Corruption Work including NFI

9. Counter fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. As per the Internal Audit Charter, Internal Audit is not responsible for managing the risk of fraud – this lies with the Council's senior management.
10. Internal Audit will continue to investigate instances of potential fraud and irregularities referred to it by management, and will also carry out proactive anti-fraud and corruption testing of systems considered to be most at risk of fraud. This is informed by CIPFA's 'Code of Practice on managing the risk of fraud and corruption'. Notable areas of fraud nationally include: Housing Benefit, Council Tax, Housing and Tenancy, Procurement, Insurance, Abuse of Position, Blue Badges and Direct Payments (Social Care).
11. The Wales Audit Office runs a national data matching exercise (National Fraud Initiative – NFI) every two years. Work on the 2016/17 exercise is complete and a summary of the results was reported to the Corporate

Governance Committee in November 2018. Work has now commenced on the 2018/19 exercise and we have engaged with relevant Council services to ensure data matches are reviewed and resulting action is taken as necessary. Progress will be reported to Corporate Governance as part of the Internal Audit Update report.

12. Internal Audit captures details of referrals where there are allegations/suspensions of fraud or corruption taking place and this is reported to the Corporate Governance Committee as part of the Internal Audit Update Report. An Annual Fraud Report will be produced shortly to summarise and reflect on the work that has taken place during 2018/19.

Proposed Audit priorities for 2019-20

13. The audit plan has been developed to align with the corporate priorities and strategic risks. All audit areas identified as high priority within the plan will be undertaken within the financial year 2019–20 together with annual audits of financial areas for the Section 151 Officer. Audit areas rated as medium priority will be kept under review and any changes or emerging risks will be captured and the audit plan updated as necessary.
14. The following list shows the current priority projects for 2019–20 that has been agreed between the CIA and each service management team and directors. The Corporate Governance Committee will continue to receive a regular progress update on Internal Audit work actually undertaken, which will include a list of upcoming work from the project priority schedule.

Audit Project	Audit Needs Assessment (ANA) – an assessment of the priority of the planned review
Risk Management	Annual review to support the CIA’s annual report and for the Annual Governance Statement. Review will focus on the corporate risks in the Corporate Risk Register with a specific review of the controls specified against corporate risks.
Homelessness	Carried forward from 2018/19. Service is undergoing and internal review. Internal Audit review to be carried out in Q2/Q3.
Direct Payments (Children)	Risk of fraud and error. Area has not been reviewed for some time.
Schools	Audit of individual schools. Sample of four schools to be agreed.
Deprivation of Liberty Safeguard (DoLs)	High corporate and service risk. Process review and compliance with requirements of the Mental Capacity Act.
Continuing Healthcare	Funding arrangements between Betsi Cadwaladr Health Board and DCC.
PCI DSS Compliance	Review of compliance with the payment card industry standards around secure handling of payment details.
Performance management	Sample testing of performance information to verify integrity and accuracy of management information.

Audit Project	Audit Needs Assessment (ANA) – an assessment of the priority of the planned review
Wellbeing Future Generations Act	Review focusing on a preventative work programme that feed into the corporate plan. Focus on the Carers Strategy (community resilience) and how the WFGA has been applied.
Programme and Project Management	Programmes/projects to be reviewed, this year focusing on programme and projects centred in Rhyl surrounding regeneration.
General Data Protection Regulations (GDPR) in Schools	Legislation came into force in May 2018. Review focusing on Schools' compliance.
Health & Safety Enforcement	Features on the service risk register and area has not been reviewed previously.
Revenues Services	Annual review to provide assurance for the S151 Officer. To cover Council Tax, Housing Benefits and NNDR and include a review of the Welfare Reform implications.
Financial Services	Annual review of payroll, accounts payable, treasury management etc. to provide S151 Officer assurance.
Design & Construction	Service has not been reviewed previously. Review of processes and involvement with 21 st Century Schools programme.
Recruitment & Retention	Proactive counter-fraud audit review.
Ethics & Culture	Requirement of Public Sector Internal Audit Standards
Housing Rents	Annual review with focus on welfare reform impact.
Office Management	Has not been reviewed for some time. Focus on the corporate priority for carbon reduction and use of corporate plan funding for related projects
Commercial Waste Service	Potential area for fraud and review to ascertain controls in place and whether the service is maximising income.
Housing Maintenance	Review the efficiency and effectiveness of the service in terms of modernisation and reducing costs.
Tourism Strategy	Review of its implementation.
Stores & Depots	Proactive counter-fraud audit.
Heritage Services	Area has not been reviewed previously. Is it maximising income?

Audit Project	Audit Needs Assessment (ANA) – an assessment of the priority of the planned review
Settlement agreements	Annual review to ensure payments are authorised and valid.
15 Minute Care Calls	Request from the Service to review whether 15 minute calls are applied appropriately.
Scheme of Delegation and Delegated Decisions	Review the process for delegated decisions and sample check that it is being used appropriately. Include review of the Traffic Regulation Orders process.
Leisure	Review of proposed Alternative Delivery Model arrangement.
Pupil Deprivation Grant	Annual requirement for grant certification
Education Improvement Grant	Annual requirement for grant certification
AONB Grant Certification	Annual grant certification requirement.

Internal Audit performance monitoring

15. Internal Audit will continue to use the following performance measures from 1 April 2019 to measure its customer service and its efficiency and effectiveness in following up action plans and ensuring that agreed improvement is delivered by services following an internal audit review. Some of the actions have been amended to enable comparison with Welsh Chief Auditor’s Group benchmarking information.

Customer Service Standard	Target
Internal Audit will discuss, agree and send services the Internal Audit Project Scoping Document before it commences work.	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)
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)

Follow Up Action Plans & Service Improvement	Target
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%

External assessment of the Internal Audit Service

16. PSIAS 1312 states that “External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The CAE [Chief Audit Executive, which is Denbighshire’s case is currently the CIA] must discuss with the board:

- The form and frequency of external assessments.
- The qualifications and independence of the assessor or assessment team, including any potential conflict of interest.”

17. This external assessment was completed in 2017–18 by the arrangement of the Welsh Chief Auditors Group through a peer review by a local authority Internal Audit Service. Denbighshire’s assessment was carried out by Gwynedd County Council’s Internal Audit Service and reported that Denbighshire Internal Audit Services:

“...generally conforms with the PSIAS. Some opportunities for further improvement have been identified ... but none of the items of partial or non-conformance are considered to be a significant failure to meet the Standards”.

18. The CIA has updated the self–assessment to capture the partial conformance items raised in the external assessment. The Quality Assurance Improvement Plan was reported to Corporate Governance Committee in November 2018 and an update will be provided as part of the Annual Internal Audit Report. The Internal Audit Charter has been updated to capture the requirements highlighted in the report and a review of Ethics & Culture is included in the audit plan of work for 2019–20 to fulfil the requirements of the PSIAS.

Appendix 1 – Audit Needs Assessment

19. We use an assurance mapping tool to formulate the audit plan, which prioritises audits based on risk to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the whole Council, known as the “Audit Universe” using a number of factors/criteria. The final score, together with priority ranking, determines an initial schedule of priorities for audit attention. The result is the Internal Audit Plan.

The audit plan for the year plan has been created by:

Consideration of risks identified in the Authority’s strategic and operational risk registers

Review and update of the audit universe

Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives

Taking into account results of previous internal audit reviews

Taking into account Internal Audit’s knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council’s delivery plans

Requirements to provide a “collaborative audit” approach with the external auditors

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Internal Audit Charter

Lisa Lovegrove CMIIA, CISA

Chief Internal Auditor

Introduction

1. This Charter defines the purpose, authority and responsibility of internal audit. The Internal Audit Charter establishes the internal audit activity's position within the Council; authorises access to records; and defines the scope of internal audit activities.
2. All UK public sector internal audit service providers work to the Public Sector Internal Audit Standards (PSIAS). The latest version is effective from 1 April 2017.
3. The PSIAS use generic terms that, in Denbighshire County Council's case, are translated as:

PSIAS	DCC
Chief Audit Executive	Chief Internal Auditor
Senior Management	Chief Executive Officer (CEO)
The Board	Corporate Governance Committee

4. The PSIAS require the Chief Internal Auditor to develop and maintain an up to date Internal Audit Charter to establish:
 - Internal Audit's purpose, mission and position within the Council
 - The Chief Internal Auditor's functional reporting relationship with the CEO and Corporate Governance Committee
 - Authorisation for Internal Audit to access records, personnel and physical properties relevant to the performance of its work

- The scope of Internal Audit’s work, including the nature of its assurance role, consultancy services and its involvement in anti-fraud and corruption work
 - Arrangements for resourcing the Internal Audit service
 - Arrangements for avoiding conflicts of interest within the Internal Audit service
5. The Chief Internal Auditor will review the Charter each year and present it to the Corporate Governance Committee for final approval.

Our Purpose

6. The PSIAS include mandatory elements of the Chartered Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF):
- Definition of Internal Auditing
 - Core Principles
 - Code of Ethics
 - International Standards for the Professional Practice of Internal Auditing

Definition of internal auditing:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations.

It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”. *(PSIAS)*

7. Within the Council, Internal Audit is one of the cornerstones of effective governance. Our annual internal audit opinion and other reports are a key element of the framework of assurance that is used to complete the Annual Governance Statement. We give assurance to elected members and management, highlighting areas for improvement.
8. Our role is a unique one, providing effective challenge and acting as a catalyst for positive change and continual improvement in governance in all its aspects. Our role is particularly important when the Council is facing uncertain and challenging times.

Our Mission

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight” (*PSIAS*)

Our Objectives

- Provide independent assurance and advice to management and elected members on risk management, governance and internal control
- Develop and promote our role to make a significant contribution to modernise the Council and deliver efficiencies and improve services for our customers
- Add value in all areas of our work, providing excellent service to our customers

Code of Ethics

9. All members of the Internal Audit service make an annual declaration that they agree to comply with the IIA Code of Ethics as follows:

Ethic	Principle
Integrity	The integrity of internal auditors establishes trust and this provides the basis for relying on their judgement.
Objectivity	Internal auditors demonstrate the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interest or by others in forming judgements.
Confidentiality	Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

Competency	Internal auditors apply the knowledge, skills and experience needed in the performance of internal audit services.
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10. In addition, our annual declaration states that we will declare any interests we may have in any services that we review; and have read the PSIAS, Code of Ethics and Council's Code of Conduct for Officers.

Core Principles for the Professional Practice of Internal Auditing

11. Our internal audit approach is underpinned by the following Core Principles:

- Demonstrate integrity
- Demonstrate competence and due professional care
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives, and risks of the organisation
- Is appropriately positioned and adequately resourced
- Demonstrates quality and continuous improvement
- Communicates effectively
- Provides risk-based assurance
- Is insightful, proactive, and future-focused
- Promotes organisational improvement

12. In addition, the Chief Internal Auditor will be appropriately experienced and hold a professional qualification (CCAB or CMIIA) and is responsible for:

- Developing an annual internal audit plan based on an understanding of the significant risks to which the Council is exposed.
- Submitting the plan to the Corporate Governance Committee and Senior Leadership Team for review and agreement.
- Implementing the plan and reporting any amendments that may occur.
- Ensuring compliance with the Standards.
- Developing and maintaining co-operative relationships with management, other internal auditors, external auditors and other review bodies to ensure the most effective audit coverage is achieved.
- Maintaining a professional internal audit team with sufficient knowledge, skills and experience to carry out the plan.

- Providing an annual opinion as to the adequacy and effectiveness of the Council's control environment including any issues which should be considered for inclusion in the Council's Annual Governance Statement.

Internal Audit Positioning & Reporting Lines

13. Internal Auditors have no executive responsibilities in order to maintain our independence and facilitate impartial judgements.
14. The Chief Internal Auditor has a functional reporting line to the Head of Business Improvement & Modernisation, but also has direct access on internal audit issues to the Council's S151 Officer, the CEO, Cabinet, Corporate Governance Committee and Scrutiny Committees.
15. These extended reporting lines provide Internal Audit with sufficient independence of the activities that it reviews to enable our auditors to perform their duties objectively, allowing us to make impartial and effective professional judgements and raise issues for improvement.
16. The Head of Business Improvement & Modernisation annually appraises the Chief Internal Auditor's performance with input and feedback from the CEO and Chair of the Corporate Governance Committee. This ensures that the Chief Internal Auditor's opinion and scope of work cannot be limited or affected by his functional line management position within the Council.
17. Corporate Governance Committee monitor the effectiveness of Internal Audit's activities. It should be involved in the selection process when/if an internal audit service provider changes, the appointment or termination of the Chief Internal Auditor and in ensuring that internal audit is adequately resourced.
18. The Chief Internal Auditor will not undertake roles and/or responsibilities that fall outside of internal auditing. In the exceptional circumstance where this is required, the approval of the Corporate Governance Committee will be obtained and safeguards put in place to protect our independence and objectivity.

Authority

19. The Council's Financial Regulations stipulate Internal Audit's rights of access, providing the service with authority to:

- Access all Council premises at reasonable times
- Access all assets, records, documents, correspondence and systems
- Receive any information and explanation considered necessary concerning any matter made under consideration
- Require any employee of the Council to account for cash or any other Council asset under his or her control
- Access records belonging to third parties, such as contractors, when required

20. The Chief Internal Auditor attends Corporate Governance Committee and will meet independently with the Chair of Corporate Governance Committee periodically and has right of access to all Corporate Governance Committee members.

Scope of the Internal Audit Activity

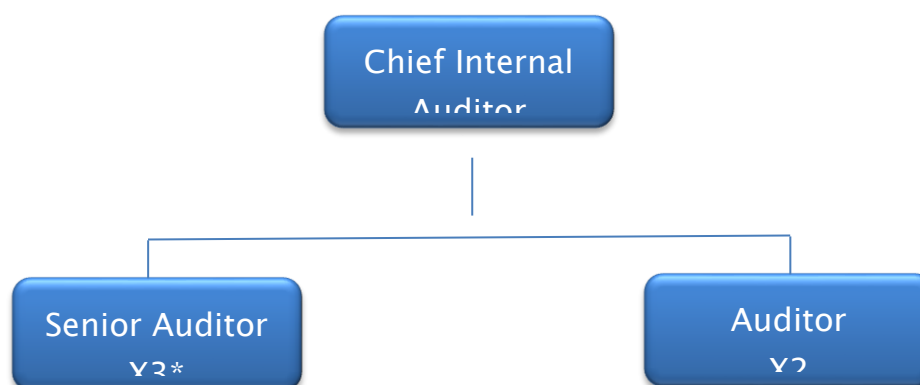
21. The Internal Audit service is very proactive and innovative, constantly aiming to improve. We have a customer-focused approach to audit planning, project scoping and service delivery, involving elected members, senior management and operational staff.
22. Our Internal Audit Assurance Plan links closely to the Council's Governance Assurance Framework, taking account of other assurances that the Council may receive, internal or external, to prevent duplication and co-ordinate regulatory work. It also takes account of discussions with senior management.
23. Our work provides a risk-based approach that allows the Chief Internal Auditor to form and evidence her opinion on the control environment to support the Council's Annual Governance Statement.
24. Internal Audit is not responsible for managing the risk of fraud – this lies with the Council's senior management. Internal Auditors have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the Council, but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.
25. The Council's Financial Regulations and investigation procedures require managers to inform the Chief Internal Auditor of any suspected financial irregularities. The Chief Internal Auditor retains the right to decide on an appropriate course of action, which may mean a joint investigation or investigation by the service. All investigation reports should be sent to the Chief Internal Auditor for inclusion in a report on fraud investigations within the Internal Audit Annual Report. We will also consider any control issues identified in the fraud investigation in terms of the impact on current and future internal audit activity.
26. Internal Audit has no responsibility for providing any other services within the Council but we occasionally provide guidance and advice e.g. on new systems or may help to develop new processes using our specific skills. Services may also occasionally ask us to carry out specific projects on a consultancy basis for a fee. The Chief Internal Auditor will accommodate such requests only where there is sufficient capacity to

carry out the work to the required standard. We make it clear from the outset that we are working on a consultancy basis and are not giving audit assurance on these occasions.

27. The PSIAS permit assurance services to be provided where internal audit has previously performed consulting services. This will only be the case where the consulting/advisory work completed has not impaired objectivity. Individual objectivity will be managed when assigning resources to the engagement.

Resources

28. The Corporate Governance Committee has the responsibility to ensure the internal audit function is sufficiently resourced and has the required skills and competencies required to meet the Council's audit needs.
29. The service structure has recently changed to create an additional Senior Auditor position to enable the team to undertake more complex reviews which predominantly make up the audit plan. There is one less Auditor post, so the team continues to be 6FTE. The current structure and capacity of the Internal Audit Service is shown below:



* One Senior Auditor vacancy is currently being advertised and hope to appoint shortly. .

30. We have a well-qualified and experienced team, mainly following the Chartered Institute of Internal Auditors qualification route (CIA) at Senior Auditor level and Association of Accounting Technicians (AAT) for the Auditor role. The Chief Internal Auditor holds the CMIIA and is a Certified Information Systems Auditor (CISA).
31. In accordance with the Public Sector Internal Audit Standards, the Chief Internal Auditor will advise senior management and the Corporate Governance Committee of any changes to resources that are likely to affect the completion of the planned work which may impact the ability to provide the necessary assurance.

Internal Audit Plan

32. At least annually, the Chief Internal Auditor will submit to senior management and the Corporate Governance Committee an internal audit plan for review and approval. The internal audit plan will consist of a list of audit priorities as well as budget and resource requirements for the next financial year. The Chief Internal Auditor will communicate the impact of resource limitations and significant interim changes to senior management and the Corporate Governance Committee.

33. The internal audit plan will be developed based on a prioritisation of the audit universe using a risk-based methodology, including input of senior management and the Corporate Governance Committee. The Chief Internal Auditor will review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Corporate Governance Committee through the Internal Audit Update Report.

Reporting and Monitoring

34. A written report will be prepared and issued by the Internal Auditor following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the Corporate Governance Committee.

35. The internal audit report will include management's response and corrective action taken or to be taken in regard to the specific findings. Management's response will be incorporated into an action plan which will include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

36. The internal audit activity will follow-up all low assurance and no assurance areas and report the results to the Corporate Governance Committee. A representative from the Service will be asked by the

Committee to attend to explain the action taken to address identified weaknesses.

37. The Chief Internal Auditor will periodically report to senior management and the Corporate Governance Committee on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Corporate Governance Committee.

Quality Assurance and Improvement

38. The Chief Internal Auditor maintains the quality assurance and improvement programme which covers all aspects of Internal Audit's activities. The programme includes internal and external assessments to evaluate Internal Audit's conformance with the Mission Statement, the Core Principles of Internal Auditing and the International Standards and application of the Code of Ethics.

Internal Assessments

39. The Accounts and Audit Regulations (Wales) 2014 places a statutory obligation on the Council to conduct a review of effectiveness of internal audit at least once a year. This comprises of:

- Ongoing monitoring of the performance of the internal audit activity
- Periodic self-assessment of the internal audit activity against the PSIAS.

External Assessments

40. PSIAS require an External Assessment to be conducted at least once every five years by a qualified, independent assessor from outside the Council.

41. An external assessment was carried out in 2017-18 on a peer review basis organised through the Welsh Chief Auditors Group. The results were reported to Corporate Governance Committee in November 2018 which concluded that

"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".

42. Actions to address items of partial conformance are monitored by the Corporate Governance Committee.

43. Any known instances of non-conformance with the PSIAS will be reported to the Corporate Governance Committee and any significant deviations

will be considered for inclusion in the Council's Annual Governance Statement.

Corporate Governance Committee Forward Work Programme

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
	3	Internal Audit Update (CIPFA update)	Chief Internal Auditor – Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		Reports	
	5	WAO report on use of data in Denbighshire CC	Nicola Kneale (Papers already circulated)
	6	WAO Annual Audit Plan	WAO (Steve Gadd contact)
	7	Annual RIPA (Regulation of Investigatory Powers Act 2000)	Head of Legal, HR and Democratic Services - Gary Williams (Lisa Jones – Contact)
15 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)	Chief Internal Auditor – Lisa Lovegrove
	4	Forward Work Programme	Democratic Services
		Reports	
	5	Health and Safety in Schools	Head of Internal Audit – Lisa Lovegrove
	6	Annual Corporate Governance Committee Report	Head of Legal, HR and Democratic Services - Gary Williams
	7	Service Challenge – Service report	Head of Business Improvement & Modernisation– Alan Smith
	8	Internal Audit Annual Report	Chief Internal Auditor – Lisa Lovegrove
	9	Update report – Joint Procurement Unit (tbc – requested at 23/01/19)	Chief Internal Auditor – Lisa Lovegrove

Corporate Governance Committee Forward Work Programme

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)	Chief Internal Auditor – 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
Page 9 of 11	7	Annual report on the Constitution	Head of Legal, HR and Democratic Services - Gary Williams / Chief Internal Auditor – Lisa Lovegrove
	8	Annual SIRO Report	Head of Business Improvement & Modernisation– Alan Smith
	9	WAO Annual improvement report	WAO/ Head of Business Improvement & Modernisation– Alan Smith
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)	Chief Internal Auditor – 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
	7	Update report on the Low Assurance Audit report – Registration Service (requested at 23/01/19)	Chief Internal Auditor – Lisa Lovegrove

Corporate Governance Committee Forward Work Programme

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

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

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