

CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 23 March 2016 at 9.00 am.

PRESENT

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

Councillors Meirick Lloyd Davies, Hugh Evans, Bobby Feeley and Julian Thompson-Hill attended as observers.

ALSO PRESENT

Corporate Director: Communities (NS), Head of Legal, HR and Democratic Services (GW), Head of Internal Audit (IB), Head of Business Improvement and Modernisation (AS), Chief Finance Officer (RW), Chief Accountant (SG), Education Planning and Resources Manager (IL), School Funding Manager (CJ), Recruitment Specialist (AM), Wales Audit Office Representatives (AV, GB, MP, CO) and Committee Administrator (CIW).

The Chair requested that the condolences of the Committee be conveyed to the families of Councillors Richard Davies and Peter Owen who had sadly passed away.

1 APOLOGIES

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

2 DECLARATIONS OF INTEREST

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

3 URGENT MATTERS

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

4 MINUTES

The Minutes of a meeting of the Corporate Governance Committee held on the 27th January, 2016.

Accuracy:- It was noted that Lay Member Mr Paul Whitham was in attendance at the meeting.

Matters arising:-

5. Ysgol Mair, Rhyl – Financial Recovery Plan:- The HLHRDS informed Members that he had contacted the Diocesan Education Office to seek responses to issues and concerns raised by Members of the Committee, and the following responses had been received:-

- The Diocese did not have a specialist advice team to provide support and advice to schools on financial matters, and it was suggested that schools should contact the Diocese direct to discuss financial issues.

- Details of the timescale relating to the secondment of a member of staff from Ysgol Mair, and other Catholic Schools in Denbighshire which might be experiencing similar problems to those at Ysgol Mair, would be forwarded to the HLHRDS at a future date. The HLHRDS agreed to circulate the information to Members of the Committee when received from the Diocesan Education Office.

10. Corporate Governance Committee Forward Work Programme - In response to a question from Mr P. Whitham, the HLHRDS explained that a Workshop to consider the Constitution had met in March, 2016, and report would be presented to the Committee detailing the outcome.

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

5 BUDGET PROCESS 2015/16

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

Councillor J. Thompson-Hill, assisted by the CA, provided a detailed summary of the report. It was explained that the report in January had summarised the Freedoms and Flexibilities process which had successfully delivered balanced budgets for 2015/16 and 2016/17. Monitoring of budget performance would continue to be reported monthly to Cabinet, and the Cutting Our Cloth Task and Finish Group was in place to monitor the impact of budget decisions taken as part of the process.

Following receipt of the Final Settlement in early March work had commenced on defining a new budget process to deliver the 2017/18 budget. However, the assumptions which would inform the detail of the Medium Term Financial Plan (MTFP) and the process itself were under development. The Key Assumptions Informing Development of MTFP had been included in the report, together with, the Principles of the 2017/18 Budget Process.

Members were informed that a draft timetable, Appendix 1, had been developed, which would be subject to further change. The timetable expanded on the following four stages of the budget process:-

- 1) Define and develop the process
- 2) Identify initial proposals

- 3) Consult on and finalise proposals
- 4) Final approval stages

The CA explained that the timetable, Appendix 1, had changed as the forms had been presented to SLT prior to the scheduled date of the 7th April, 2016. Details of the changes were outlined for Members and it was emphasised that this would be a one year process. It was confirmed that all stages would allow for consultation and engagement with the relevant stakeholders. A further update would be provided at the next meeting, by which time both the MTFP and the budget process would have been consulted on and approved. Based on current assumptions around funding and cost pressures the forecast budget gap for 2017/18 was £4.4m. Previous reports had highlighted in detail the significant consultation process undertaken to deliver the 2015/16 and 2016/17 budgets.

The proposed budget process for 2017/18 had been summarised in Appendix 1, together with, details of the adopted consultation process. It was explained that it was likely that funding reductions to LAs in Wales would continue in the medium term, and while the Council would endeavour to be more efficient to save money, this in itself may not be sufficient in future. Budget decisions would become more difficult and probably require a longer lead-in time to deliver.

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

The Chair explained that he was pleased that the impact on services had been considered. The CFO provided an outline of how the service impact would be split into two elements with a view to meeting efficiency targets, these would be proposed and then subsequently adopted by the respective services.

Councillor S.A. Davies emphasised the importance of Member involvement at the outset of the process, particular reference being made to Member input at Budget Workshops. He also expressed concerns about the impact of budget related decisions on the general public, the consequences arising from the rapid increase of pupil numbers in Denbighshire schools and of directives received in relation to cash reserves held by Councils. The Chair referred to the budget setting and decision making processes and endorsed the views expressed by Councillor Davies regarding the need for greater Member involvement at the outset of the budget setting process. Councillor J. Thompson-Hill outlined a discrepancy in the colour coding in Appendix 1, and explained that reference to the 23rd March, 2016 should be yellow and not blue.

Councillor H.H. Evans felt that the budget setting process adopted by Denbighshire was as good as any in Wales, and he highlighted problems previously experienced in encouraging Member involvement in the process.

The Committee considered views expressed by the Committee regarding Member involvement at the outset of the budget process, and it was suggested that the

matter be considered at the SLT Session on the 7th April, 2016 and Council Briefing on the 6th June, 2016.

The Committee considered views expressed by the Committee regarding Member involvement at the outset of the budget process, and it was suggested that the matter be considered at the Group Leaders Meeting on the 4th April, 2016 and Council Briefing on the 6th June, 2016.

The CFO and CA provided an outline of the timescales pertaining to the budget process and the impact with regard to the programme for undertaking operational decisions.

The CFO explained that all the information produced previously was available in the Members library and the principles had not changed. However, he reminded the Committee that the new process would be dependent on the outcome of the Final Settlement, and he felt that the savings target might be higher than required.

During the ensuing discussion, Councillor H.H. Evans agreed to raise the issue at the Group Leaders meeting on 4th April. Councillor J. Thompson-Hill confirmed that he would attend the meeting to provide an overview and report back to Members.

RESOLVED – *that, subject to the above proposals, the Corporate Governance Committee receive and note the contents of the report.*

(RW, SG, Cllrs HHE & JTH to Action)

6 CORPORATE SAFEGUARDING UPDATE

CSSIW Reports:-

Prior to consideration of the Corporate Safeguarding Report, the Corporate Director: Communities (CDC) confirmed that it was the agreed procedure for the Corporate Governance Committee receive and consider external reports. She explained that due to time constraints and the scheduling of meetings it had been necessary to present the CSSIW Annual Performance Evaluation 2014/15 Report to a formal Council meeting for acceptance by a given date. It had also been intended that the Area Manager would present the report prior to vacating his post, however he had been unable to attend the respective Scrutiny Committee meeting.

The CDC explained that the report had been presented to the Performance Scrutiny Committee on the 10th December, 2015, and had been the subject of a thorough and challenging debate. She explained that the CSSIW Report had reflected on the Annual Report of the Statutory Director of Social Services, which would also be presented to the Performance Scrutiny Committee.

Members were informed that the report had been thoroughly scrutinised, and it was confirmed that future CSSIW Reports would be presented to the Corporate Governance Committee in a new format. The CDC agreed that details of the new format to be adopted by the CSSIW be conveyed to the Chair, and presented to the Scrutiny Chairs and Vice Chairs Group.

The Chair confirmed that the minutes of the Performance Scrutiny Committee had been circulated to Members of the Corporate Governance Committee, and Members agreed that the CSSIW Report had been the subject of a thorough and challenging debate.

Corporate Safeguarding Report:-

A report by the Head of Internal Audit (HIA), which provided an update on progress in implementing the Action Plan (AP) which accompanied the Internal Audit report on Corporate Safeguarding in August 2015, had been circulated previously.

The report provided information on how the Council was implementing improvements in corporate safeguarding since the issue of the Internal Audit report in 2015. The audit report had given a 'Low Assurance', so the Committee had requested a progress report to ensure that the issues highlighted were being addressed.

The Internal Audit follow up report, Appendix 1, indicated that good progress had been made with implementing the AP. Governance had been improved and the Safeguarding Panel had a more focused work programme to enable it to prioritise its work and monitor performance. It was confirmed that there was now more dedicated resource being applied to Corporate Safeguarding through the Chair of the Panel increasing his involvement, including meetings with Service Panel representatives.

There was still some work to do to ensure that members of staff and Elected Members were aware of their responsibilities for Corporate Safeguarding, including a promotion campaign to launch the new Corporate Safeguarding Policy. In addition, the planned corporate training module would need to be developed and implemented with Elected Members being required to attend mandatory Corporate Safeguarding training sessions. Members acknowledged that given the progress made with the Action Plan, the assurance rating had improved to 'Medium'.

The Chair expressed the view that the initial intention that Corporate Safeguarding be implemented across the County had not been fully implemented. However, he acknowledged that although many of the issues in the Action Plan had been addressed there were still issues outstanding. Councillor H.H. Evans explained that Members and officers were aware of their Safeguarding responsibilities. He explained that the Chair of the Panel had been robust in his intentions of promoting the delivery of the Corporate Safeguarding agenda, with the level of debate and challenge having increased. The Chair informed the Committee that it was his intention to attend the next meeting of the Panel as an observer.

Mr P. Whitham expressed concern that deadlines pertaining to the follow up reports had slipped, particular reference being made to promotion and training aspects. The Committee supported Mr Whitham's suggestion that a further progress report be presented to the Committee in September, 2016.

The Corporate Director: Communities (CDC) acknowledged that some of the deadlines had not been achieved. However, she explained that the process would be ongoing with some aspects being continued on a permanent basis. One of the

main aspects had been raising awareness across the Council. A business item would again be presented to the June, 2016 Council Briefing meeting with regard to Corporate Safeguarding, and Members would be encouraged to attend.

Following further discussion, it was:-

RESOLVED – *that the Corporate Governance Committee:-*

- (a) receives and noted the contents of the report.*
- (b) agrees that a progress report be presented to the September, 2016 meeting of the Committee, and*
- (c) requests that Members be encouraged to attend the Council Briefing meeting to consider the Corporate Safeguarding item.*

(NS, IB to Action)

7 FINANCIAL RESILIENCE OF COUNCILS IN WALES - UPDATE

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

Members were informed that the Wales Audit Office (WAO) had completed an assessment of the Council's 'financial resilience' following on from the national study report published in 2015. The report by the Auditor General for Wales 'Financial Resilience Assessment Denbighshire County Council' had been included as an Appendix to the report.

The assessment had been completed during the period May to October 2015, and followed up issues highlighted in the 2014-15 financial position work. The focus of the work had been on the delivery of 2014-15 savings plans, and the 2015-16 financial planning period. The report concluded that the Council had appropriate financial management arrangements in place.

The CFO explained that the report provided a positive assessment of the Council's financial arrangements. The Council's policy on fees and charges had been set out in Financial Regulations, and had been included in annual budget rounds. This it was felt would be enhanced as part of the 2017/18 process and departmental registers maintained.

The WAO Representative (GB) focused on the one recommendation which had been to establish a formal policy on income generation and charging and a register of the charges set by departments, and this would be addressed in the 2017/18 budget process. Members were informed that Denbighshire did not have a corporate approach to income generation, and it was felt that it might be beneficial for Members to enter into a political debate on this issue, and reference was made to the approach adopted by other Councils. WAO Representative (AV) referred to the restrictions imposed on Councils in terms of income generation and made reference to the cross subsidisation of services. He highlighted the importance of ensuring a strategic grip on the source of income to the Authority and the flexibility available in terms of its distribution.

The CFO explained that the Council's formal policy in respect of decisions around reviewing fees and charges had been devolved to the respective Heads of Service, who would take any proposed changes through the appropriate budget setting process. Reference was made by the CFO to the limits imposed with regard to the major areas of charging.

In response to suggestions from Members of the Committee regarding the need for an overarching policy with regard to income generation, Councillor J. Thompson-Hill felt that there was a need for flexibility. The HLHRDS outlined the complex nature of the process for setting fees and charges, and highlighted the need to consider the impact of any decisions made on local businesses and the community in general. He explained that it would be important to comply with legislative requirements and restrictions, and the need to justify that in certain circumstances only costs were being recovered.

During the ensuing discussion the Chair explained that the debate by the Committee would be incorporated in the budget deliberations.

RESOLVED – *that the Corporate Governance Committee receive the report and note the recommendation by the WAO.*

8 RISK MANAGEMENT OF WELL-BEING OF FUTURE GENERATION ACT

A report by the Head of Business, Planning and Performance (HBPP), which explored the changes required in the way the Council manage risk with regard to the Well-being of Future Generations Act (WFGA), had been circulated previously.

The HBPP provided a detailed summary of the report. He explained that in order to comply with the WFGA the Council would be required to review the way it managed risk, and the report explored some of the issues the change raised for the Council, and outlined its potential impact on the Corporate Risk Register.

The WFGA included far reaching changes to the way the Council would be required to conduct its business, and would need to demonstrate how it contributed to the seven aims by publishing annual Well-being objectives. More fundamental would be the expectation that the Council would change the way it made decisions by taking into account the five Sustainable Development Principles: Long term; Prevention; Integration, Collaboration, Involvement.

The HBPP summarised each of the five Sustainable Development Principles, which had been included in the report. Reference was made to the challenge relating to risk management, with risks being divided into short term 'operational' and long term 'strategic'. Details pertaining to the management of the specific risks, and the mitigating actions and options implemented to mitigate the complex risks, had been outlined in the report.

Confirmation was provided by the HBPP that the Council were confident that their current operational risk process was fit for purpose. However, the larger task would be to develop the tools and techniques to improve the process in the future.

The Council were working with partner Authorities to develop a method of impact assessment, and were also trialling community based resilience work which was intended to promote both long term thinking and constructive engagement on shared problems. Members were informed that further work would be developed as the five Sustainable Development Principles were introduced.

Concern was expressed by Councillor S.A. Davies that the Act had been implemented and determined by Welsh Government. He questioned its parameters, methods and level of engagement with the public and the expectations of the Act. The HBPP explained that many aspects and requirements of the Act were currently being addressed by the Council, and that Elected Members were already engaging with the local community and public in general. He referred to the importance of exploring methods of strengthening the community, and examining alternative approaches to decision making, with a view to ensuring a level of improvement for future generations.

Councillor H.H. Evans explained that the Act would inevitably be introduced and it would be important to ascertain the level of emphasis to be placed on its development. He alluded to the many areas which would be influenced by the Act, particular reference being made to Education and Safeguarding, and highlighted the need to make the most of the positives incorporated in the Act. He expressed the view that engagement would not undermine the role of Members and that the Council's Corporate Plan would be the driving influence for the Authority, taking into account the guiding principles of the aims within the Act.

The Chair concurred with the views expressed by the WAO Representative regarding the necessity to look at the broader picture and the need for a change in mind set, while not being driven by bureaucracy. In reply to a question from the Committee, it was explained that if the Council ignored or failed to address the requirements of the Act then they could be liable to challenge at a future date. The HLHRDS explained that the Act made reference to taking reasonable action or steps, and that if it was deemed that justified action had been taken there would be no cause of action.

The importance of planning ahead for the benefit of future generations, and assessing any associated risks, was highlighted by Councillor P.C. Duffy, and he expressed the view that the introduction of more pilot studies could be beneficial.

Councillor H.H. Evans referred to the possible benefits to be realised from monitoring the actions of other bodies and organisations and assessing the level of commitment. He suggested that the Act be utilised as a vehicle to improve service delivery with limited resources, to and insert the principles of the Act into the decision making process.

During the ensuing discussion reference was made to the trialling of the community based resilience work intended to promote both long term thinking and constructive engagement on shared problems (People to People in Llangollen). It was explained that the scheme had been undertaken in Corwen and the response had been very positive. In response to a request to officers, it was agreed that the

outcome of the project be conveyed to the Chair and then forwarded to Members of the Committee.

RESOLVED – *that the report be received and noted.*
(AS to Action)

9 CORPORATE GOVERNANCE COMMITTEE ANNUAL REPORT

The Chair provided a verbal report on the Corporate Governance Committee Annual Report. He explained that the Terms of Reference of the Committee were defined in the Council's Constitution, and that it had been tasked with the role of ensuring that Denbighshire had a robust governance framework which was fit for purpose.

Details of the following areas of work undertaken by the Committee during the past twelve months included:-

Headline Areas:-

- An audit role which included the scrutiny of internal audit reports, consideration of the findings of external audit reports and the receipt and overview WAO reports.
- Corporate Risk Management, identifying and reviewing risk and ensuring that the Authority's Risk Management System and Information Management Strategy were robust.
- A Financial Role which included overseeing the Council's Financial Management, Budget Process, Statement of Accounts, Treasury Management and Prudential Indicators.
- Information Management and Data Protection issues.
- Constitution and Procurement programme changes.
- Annual Governance Statements and Complaints and feedback.

Other Areas of Work:-

- Monitoring of Council funded public services.
- Financial Payment to Care Leavers.
- Annual Improvement Report and implications to the Council's Housing Policy.
- Government Reform and Welfare matters.
- Corporate Safeguarding issues.
- Statement of Accounts and Audit Report issued with a high level of assurance.
- Receipt of the Treasury Management Report, investment and activity overview.
- Negotiation of the PFI exit in relation to County Hall, Ruthin.
- Constitution and ongoing work relating to the Scheme of Delegation.
- Government consultation on Freedom of Information Requests.
- Updating the codes and protocol on Member and officer relationship.
- Overseeing Safeguarding issues and trends identified.
- School finance and support for School Governing Bodies.
- The impact of the Education and Children's Services Committee.

- Assisting in ensuring that the Council meets its Corporate Priorities.
- Providing an overview of various Council policies such as the Whistle Blowing and Fraud and Corruption Policies.
- Responding to and addressing reports in the media.
- Addressing various specific issues as and when they arise.
- Work pertaining to coastal defences.

The Chair thanked the Internal Audit Team and the WAO Officers for the work they had undertaken and the assistance provided to the Committee. He also provided confirmation that a written Corporate Governance Committee Annual Report would be presented to the County Council meeting in May, 2016.

RESOLVED – that:-

(a) Corporate Governance Committee receive and note the Corporate Governance Committee Annual report, and

(b) a report detailing the work undertaken by the Corporate Governance Committee be presented to County Council in May, 2016.

(JM (Chair) to Action)

10 CORPORATE FLEET MANAGEMENT UPDATE REPORT

A report by the Head of Internal Audit (HIA), which provided an update on progress in implementing the Action Plan that accompanied the Internal Audit Report (IAR) on Corporate Fleet Management in October, 2015, had been circulated previously.

The HIA introduced the report which provided information on how the Council was implementing improvements in fleet management since the issue of the IAR in 2015. In response to the IAR having given 'Low Assurance', the Committee had requested a progress report to ensure that the issues were being addressed.

The Internal Audit follow up Action Plan, Appendix 1, indicated that progress had been made with implementing the issues and risks identified by Internal Audit. As this was only an interim follow up audit, progress would be monitored and a formal follow up report would be issued with a new assurance rating.

Although there were still some actions outstanding, the key issues had already been addressed, such as developing a new Transport Policy, which would now need to be approved and issued. Health and Safety issues had also been addressed through improving induction procedures, reviewing incident reporting and improving driver licence processes.

Mr P. Whitham made reference to progress in respect of those areas highlighted as amber and yellow, and requested that a progress report be presented to the Committee in September, 2016. In reply to concerns raised by Mr Whitham in relation to the declaration of any illness or any anomalies in respect of driving licences, the HIA explained that these issues had been covered and addressed following the production of new Appointment Forms.

In reply to concerns raised regarding the use of mobile phones by employees when driving, the HIA explained that this was a contravention of the law and could be a disciplinary matter.

RESOLVED – that:-

- (a) *the report be received and the position noted, and*
- (b) *a further progress report be presented to the September, 2016 meeting of the Committee.*

(IB to Action)

11 SCHOOLS FINANCIAL MANAGEMENT - UPDATE

A verbal report on schools financial management arrangements was provided by the Head of Internal Audit (HIA), Education Planning & Resources Manager (EPRM) and School Funding Manager (SFM).

The HIA referred to discussions at the previous meeting relating to the Financial Recovery Plan for Ysgol Mair, Rhyl, and concerns and questions raised by Members regarding Schools Financial Management arrangements and processes, and the role of the Schools Business and Finance Managers. The Chair expressed concern that schools which had experienced financial difficulties had not had a Schools Financial Advisor, and clarification had been sought on the provision of financial advice and guidance available for schools and details of the processes in place to provide assistance.

The Education Planning and Resources Manager (EPRM) outlined the Structure for Denbighshire Schools, which had a Business and Finance Manager in each of the Secondary Schools who then provide support to their respective feeder schools in their cluster. He made reference to the WLGA and explained that the process adopted in Denbighshire had been held as a good practice example, and had been viewed as a model for Wales in terms of the procedures and processes adopted. Reference was made to the future challenges being faced by schools who were experiencing increasing financial pressures. It was confirmed that the SFM would regularly visit schools in difficulty to provide support and advice, and the support and help from the cluster would assist in addressing problems. Mr P. Whitham explained that it had been noted that Ysgol Mair, Rhyl had not been part of the Rhyl Cluster.

In response to concern raised by Councillor S.A. Davies regarding the changes in projections, the SFM provided confirmation that projections could change at very short notice for many reasons and he highlighted the difficulties faced in predicting future financial out-turns. Councillor Davies also suggested that the Diocese be approached with a view to seeking an increase in the level of support and financial assistance for their respective schools.

The Corporate Director: Communities Schools referred to the Statutory Provisions which schools were required to meet which contributed to the difficulties faced when predicting projections, particular reference being made to teacher to pupil ratios, health and safety issues and admission figures.

The CA informed Members that figures pertaining to demography had been incorporated in the process, and he provided details of the implications of the impact of the Teachers' Pension Fund on the school budget.

In response to concerns raised by Councillor P.C. Duffy regarding the level of support provided to Ysgol Mair, the CDC explained that had the officers had been invited to attend the previous meeting a more detailed and rounded prospective of the circumstances could have been provided. She confirmed that assistance and support, provided by a very proactive and dedicated team, was available for all schools, and that no complaints had been received regarding the level or quality of assistance and support provided. Members supported the view expressed by the Chair that in the event of any similar cases being brought before the Committee for consideration, the respective officers would be invited to attend. The EPRM confirmed that support and assistance had been available for Ysgol Mair, and he provided details of the issues and problems which had been experienced at school.

In reply to questions from Members regarding the mechanisms implemented to improve the projections process, the CA explained that although the proposal was to honour protection for School Delegated Budgets it was anticipated that the number of schools experiencing difficulties could increase due to inflationary pressures and the reduction in school balances over recent years which has reduced the level of flexibility.

During the ensuing discussion the Chair confirmed that an update report in respect of Ysgol Mair would be presented to the Committee in September, 2016, and it was agreed that the respective officers be invited to attend.

RESOLVED – *that the Corporate Governance Committee agrees that:-*

- (a) the report be received and noted.*
 - (b) officers be invited to attend the September, 2016 meeting of the Committee for consideration of the update report in respect of Ysgol Mair, Rhyl, and*
 - (c) in the event of any similar cases being brought before the Committee for consideration, the respective officers would be invited to attend*
- (IL, CJ, IB to Action)**

12 WHISTLE BLOWING POLICY

A report by the HR Service Manager (HRSM), on the Whistleblowing Policy which had been reformatted, updated and revised in line with legislation, had been circulated previously.

The HLHRDS introduced the report which sought the Committee's agreement to recommend the policy to Council for adoption. The Policy provided staff with an assurance that they could raise issues of concern without fear of reprisal, and provided an early warning system which could indicate a potential problem.

The Policy had been updated and reformatted to include clearer roles and responsibilities and legislative changes. The Enterprise and Regulatory Reform Act

(2013) had brought about a number of changes which would impact on whistleblowing. The three key changes included:-

- i) Only disclosures made 'in the public interest' are protected. Employees now have to show that they 'reasonably believe' that the disclosure they are making is in the 'public interest.'
- ii) The removal of the requirement for disclosures to be made in 'good faith' in order to be protected.
- iii) Making employers liable for the acts of employees (such as harassing a colleague who has raised a concern) and making employees personally liable. A copy of the Policy had been included as Appendix 1 to the report.

Members were informed that the Policies had all been presented to the Corporate Joint Meeting for comments and to CJM for feedback. It was confirmed that risks were only associated with the non-implementation of the Policy. The current versions of the Policy were out of date in terms of legislation and it would be important to ensure the Policy was being applied correctly and consistently.

Mr P. Whitham referred to Page 111 and suggested that the word "within" in the sentence "something wrong within the Council" be rephrased as an issue could be about the Council or identified by someone, such as a contractor, not directly employed by the Council. It was confirmed that the Policy would be applicable to all members of staff, and could be adopted by schools if they so wished.

In reply to an issue highlighted by the WAO representative regarding the possible difficulties which could be encountered in relation to confidentiality, the HLHRDS provided an outline of the level of detail which might be provided in respect of the disclosure of information. In response to a query from the Chair regarding the public interest element of the Act, the HLHRDS explained that the Policy set out in detail how the protection element would be applied in respect of disclosures.

RESOLVED – *that the Corporate Governance recommends the above policy to Council for approval.*

(GW, AM to Action)

13 2016 AUDIT PLAN - DENBIGHSHIRE COUNTY COUNCIL

A report by the Chief Finance Officer (CFO) had been circulated previously, together with, a copy of a letter from the Auditor General for Wales to the Chief Executive of the County Council.

The WAO representatives (AV and GB) introduced the report which incorporated the '2016 Audit Plan – Denbighshire County Council'. The report set out the planned programme of work for both the WAO's financial audit performance audit programme, and provided details of the fee for the work, the audit team and the timetable for the work. The external auditors would be required to prepare and present the report in order to discharge their requirements under auditing standards and proper audit practices.

The report provided the Council with an outline of the financial audit and performance audit work programme. The financial audit programme covered the work in respect of the 2015-16 financial statements. It also provided information on the audit approach, including the key audit risks which had been identified during the initial planning process and the actions proposed to address them. The financial audit work on the risk areas would be used to inform the audit opinion on the financial statements.

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

A summary of the contents of the 2016 Audit Plan – Denbighshire County Council were provided, which included:-

- Financial Audit.
- Certification of grants claims and returns.
- Other work undertaken.
- Performance audit.
- Fee, audit team and timetable.
- Timetable.
- Future developments to the audit work

Appendix 1:- Respective responsibilities.

Appendix 2:- Performance work in the last year's audit outline still in progress.

Appendix 3:- National value for money studies.

A summary of the letter from the Auditor General for Wales, Local Government studies programme and 2016/17 performance audit programme, was provided for the Committee. It was explained that as a result of the consultation being undertaken the audit planning in respect of the performance aspect had been vague. Members were informed that the letter set out in detail plans for the forthcoming year, particular reference being made to the three local government studies being undertaken across Wales, and the change in approach to the work delivered at Councils as a result of the withdrawal of a significant amount of the WPI grant funding.

Details of the proposed programme of work for the coming year was provided and the following salient points within the letter were highlighted:-

- Details of proposed studies.
- The three thematic reviews which included Financial Resilience, Governance and Transformation.
- Work in respect of a Corporate Assessment being carried out on a risk basis approach as part of the Governance Review.

In response to a question from Councillor S.A. Davies, the WAO representative (GB) outlined the different approach to be adopted with the presentation of three

separate reports would have arisen as a consequence of the WG proposal to repeal the Local Government Measure which imposed certain constraints.

During the ensuing discussion the Chair thanked the WAO Representatives for the report, and it was:-

RESOLVED – *that the Committee receive and note the content of the WAO report.*

14 CORPORATE GOVERNANCE COMMITTEE FORWARD WORK PROGRAMME

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

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

27th April, 2016:-

- The "Annual Financial Audit Outline of Accounts and Notification of the Certification of Accounts" be amended to "Grant Certification Audit".
- The "WAO Annual Improvement Report Update 2015/16" to be a final report and not an update.

15th June, 2016:-

- The Corporate Governance Committee Self Evaluation Report be included in the Forward Work Programme for June, 2016.

13th July, 2016:-

- The Annual Report on Whistleblowing be included in the Forward Work Programme for July, 2016.
- The "WAO Annual Improvement Report Update 2015/16" be rescheduled for April, 2016.

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

(CIW to Action)

Meeting ended at 13.20 p.m.