

# Are the Council's Corporate Support Functions Effective? – Denbighshire County Council

Audit year: 2022-23

Date issued: May 2023

Document reference: 3461A2023

This document has been prepared for the internal use of Denbighshire County Council as part of work performed/to be performed in accordance with Section 17 of the Public Audit (Wales) Act 2004, and Section 15 of the Well-being of Future Generations Act (Wales) 2015.

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

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at [info.officer@audit.wales](mailto:info.officer@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.

This document is also available in Welsh.

# Contents

The Council's corporate support functions have a good understanding of the sustainable development principle but the Internal Audit service does not consistently consider the principle in all its audit work, some Human resource policies are out of date, and although the Council has appropriate monitoring arrangements in place it is yet to consider the future strategic objectives and resourcing needs of the functions we examined.

## Summary report

What we reviewed and why 4

Recommendations 5

## Detailed report

The Council's corporate support functions have a good understanding of the sustainable development principle but the Internal Audit service does not consistently consider the principle in all its audit work and some Human Resource policies are out of date 6

Although the Council has appropriate monitoring arrangements in place it is yet to consider the future strategic objectives and resourcing needs of the functions we examined 7

# Summary report

## What we reviewed and why

- 1 The review examined Denbighshire County Council's (the Council) arrangements for its corporate support functions within four key areas: Human Resources (HR); Corporate Customer Services; Digital Services; and Internal Audit.
- 2 We looked at the vision and strategic direction of these corporate support functions to consider if they effectively and adequately support the Council's objectives.
- 3 The review also considered if the Council's corporate support functions are taking account of the sustainable development principle.

## What we looked for

- 4 Our review sought to answer the question: Are the Council's corporate support functions effective?
- 5 To answer this question, we considered:
  - if existing arrangements for the Council's corporate support functions were based on a thorough understanding of current and future service needs, challenges, and opportunities including consideration of the sustainable development principle;
  - if the Council has appropriately considered and planned how it will resource its corporate support functions over the short, medium, and long term; and
  - if the Council has appropriate arrangements in place, to monitor and review its short, medium and longer-term corporate support function objectives.

## What we found

- 6 We found that: the Council's corporate support functions have a good understanding of the sustainable development principle but the Internal Audit service does not consistently consider the principle in all its audit work, some Human Resources policies are out of date and although the Council has appropriate monitoring arrangements in place it is yet to consider the future strategic objectives and resourcing needs of the functions we examined. We reached this conclusion because:
  - the Council's corporate support functions have a good understanding of the sustainable development principle but the Internal Audit service does not consistently consider the principle in all its audit work and some Human Resource policies are out of date; and
  - although the Council has appropriate monitoring arrangements in place it is yet to consider the future strategic objectives and resourcing needs of its corporate support functions we examined.

# Recommendations

## Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
R1	Human Resource (HR) policies that are out of date should be reviewed. We found that some Human Resource (HR) policies are out of date and need to be reviewed. This can put the Council at risk, should a legal challenge arise around HR, if policies are not up to date and review dates have slipped.
R2	Internal Audit reviews should consistently consider the sustainable development when reviewing services. Service area compliance with sustainable development principles need to be systematically checked for all non-transactional audits by Internal Audit in their reviews. By Internal Audit more regularly considering how services are addressing this area, the sustainable development principle will be more deeply embedded within the Council.

# Detailed report

## The Council's corporate support functions have a good understanding of the sustainable development principle, but the Internal Audit service does not consistently consider the principle in all its audit work and some Human Resource policies are out of date

7 In reaching this conclusion we found that:

- all the corporate support services staff we spoke to had a good understanding of the Well-being for Future Generations (2015) Act (WFG) and the sustainable development principle. Corporate support services staff use the Council's Well-being Impact Assessments (WIA) process for considering change or introduction of policies and projects.
- we found that some Human Resource (HR) policies are out of date and need to be reviewed. This can put the Council at risk, should a legal challenge arise around HR, if policies are not up to date and review dates have slipped. The Council's policy is that HR policies are set to be reviewed on a three-year basis, but if any changes in legislation occur during that time then the policy should be updated immediately. The policies are 'informally reviewed' during those three years and any issues with wording or interpretation of the policy will be addressed and minor changes can and will be made. The HR policies we examined in 2022 did not record these 'informal reviews' having taken place, nor were they within the three-year cycle. The policies were therefore out of date, and the risk of a legal challenge to HR policies remains.
- the HR policies we examined did address the sustainable development principle.
- officers we spoke to anticipated that demand for Internal Audit reviews would increase in the coming years as the Council introduced new ways of working and the service rescheduled reviews which were postponed during the pandemic. Internal Audit recruitment remains challenging although this issue is common across North Wales public services.
- following the pandemic, some Council services are still trying to implement long standing recommendations from previous Internal Audit reports with some outstanding actions over three years old and, which in turn is triggering further follow-up work by Internal Audit. Senior Leadership Team, Cabinet and Chief Executive are presented with issues raised to red flag by Internal Audit, but do not systematically receive or review required recommendations, unless they are red flagged. Additionally, good stories

and best practice may not get to this level of leadership and governance, with missed opportunities a result.

- we found that whilst Internal Audit could demonstrate a good understanding of the Well-being for Future Generations (2015) Act (WFG) and the sustainable development principle, the Internal Audit reports we examined do not always fully implement the sustainable development principle into their auditing process of services. Service area compliance with sustainable development principles are not systematically checked by Internal Audit in all their non-transactional reviews.
- Community and Customer Services (CCS ) deal with most public enquiries to the Council and where they cannot resolve the enquiry they direct them to the appropriate service. During the pandemic, the service was in high demand and those pressures have continued during 2022. The Council is yet to review whether the level of enquiries will reduce in 2023 and if not how it will make the service resilient to these new pressures.
- Digital Services were also in high demand and these pressures have continued during 2022. Officers we spoke to were very complimentary of the work by Digital Services during and after the pandemic. Some officers we spoke to had a clear understanding of the sustainable development principle, but felt that the links between the work of Digital Services and the corporate strategic direction of the Council were not always clearly signposted, and some officers felt their digital service could be strengthened if the links to the new Corporate Plan were clearer, such as the Council's approach to actions that will promote the embedding of a digital culture with both staff and citizens. Although the Council's Digital Strategy Actions support the Council's corporate themes, further work is required to ensure these fully reflect the current digital landscape. For example, the current arrangements do not fully reflect the collaborative digital activity that is currently being undertaken with the North Wales Economic Ambition Board.

## Although the Council has appropriate monitoring arrangements in place it is yet to consider the future objectives and resourcing needs of its corporate support functions

8 In reaching this conclusion we found that:

- each corporate service we examined has a service plan that supports delivery of the old Council corporate plan priorities. The service plans we examined were comprehensive and clear and set out an overview of the service and the outcomes the service is aiming to achieve. The plans include the performance indicators, measures and activities that will be used to assess progress against achievement of the objectives. Each outcome is

allocated a red, amber, or green (RAG) rating, which indicates the level of improvement needed, and these are updated when the service plans are reported each quarter. Service plan reports are considered as part of the Council's service challenge process, although this has not taken place in the usual way during the pandemic but will resume in 2023 and will reflect the new corporate plan priorities.

- performance against the corporate plan and service plan priorities is reviewed quarterly by Senior Leadership Team, by Cabinet and by the Performance Scrutiny Committee. The reports are publicly available as part of the scrutiny committee and Cabinet agenda papers. The reports provide a narrative update on progress against the priorities and report performance on specific measures. We observed robust challenge of corporate service reports by Members both at scrutiny meetings and by the Governance and Audit Committee.
- future plans to reflect the new Corporate Plan are not yet in place for the Council's corporate support services, which are to some extent still recovering from COVID and needing some breathing space. The day to day resourcing needs of all services, including corporate support functions, are examined and taken into account as part of the annual budget setting processes. In particular, in recent years an annual review of non-strategic pressures has enabled all services to put forward requests for additional resources. The appointment of a new Chief Executive during the pandemic led to a review and restructuring of the Council's senior leadership and Heads of service which will not be completed until the Summer of 2023. There should however, now be a strategic focus on function and planning with consideration around the Council achieving the sustainable development principle.
- a strategic assessment of the Council's corporate support service resourcing needs, post pandemic, would inform the Council's understanding of resource and emerging workforce training and development requirements and strengthen arrangements to address the sustainable development principle.





**Archwilio** Cymru

**Audit** Wales