

**AUDIT COMMITTEE**  
**27 JANUARY 2016**

Minutes of the meeting of the Audit Committee of Flintshire County Council held in the Clwyd Committee Room, County Hall, Mold on Wednesday, 27 January 2016

**PRESENT: Councillor Tim Newhouse (Chairman)**

Councillors: Glyn Banks, Haydn Bateman, Ian Dunbar, Alison Halford, Ian Roberts and Arnold Woolley

**CO-OPTED MEMBER:** Mr Paul Williams

**APOLOGY:** Amanda Hughes of Wales Audit Office

**ALSO PRESENT:** Councillors: Bernie Attridge, Clive Carver and Kevin Jones

**IN ATTENDANCE:**

Chief Executive, Chief Officer (Governance), Internal Audit Manager and Committee Officer

Mr. John Herniman of Wales Audit Office

Policy, Performance Manager for minute number 42

Finance Manager - Technical Accountancy for minute numbers 44-46

**39. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

The Chairman declared a personal and prejudicial interest on Agenda Item 13 'Internal Audit Progress Report', however this item was later deferred.

**40. MINUTES**

The minutes of the meeting held on 24 September 2015 were submitted.

**Matters Arising**

Minute number 33: Minutes of the previous meeting - the Chief Officer (Governance) reminded Councillor Alison Halford of her comments on the minutes and the sharing of a copy of the handwritten notes which showed that the Chief Executive had clarified a section of the minutes but had not added to them. As such, he asked if Councillor Halford was willing to withdraw her comments, as had been requested. Councillor Halford refused and said that she was entitled to check and to challenge the minutes for inaccuracies which she felt was an issue. She explained that her comments had been based on her concerns about the source of the salary of the Police & Crime Commissioner (P&CC) and that she had discussed this with the Assembly Member. She continued to dispute the accuracy of the response which had been given by the Chief Executive.

Whilst the Chief Officer acknowledged the right of Members to query the minutes, he said that her insinuation that the Chief Executive had added in his own opinion not said at the meeting went beyond challenging the accuracy of the minutes.

The Chief Executive advised that he had discussed his concerns with Councillor Halford and that her comments were not acceptable given the evidence shared. He added that the Police and Crime Commissioner himself had given an explanation of the funding for his office at a meeting of full Council and the Corporate Resources Overview & Scrutiny Committee, which was consistent with that given by the Chief Executive. However the substantive issue was about the insinuation made against him which he felt should be retracted.

The Chairman asked if Councillor Halford wished to retract her comments to which she declined.

**RESOLVED:**

That the minutes be approved as a correct record and signed by the Chairman.

**41. PAYROLL FOLLOW UP**

The Internal Audit Manager presented a report on the outcome of the follow-up review undertaken in response to the findings of the Wales Audit Office (WAO) in the Audit of Financial Statements report considered in September 2015. Following consideration at that meeting, the follow-up review by Internal Audit had been brought forward to share the findings and give assurance to the Committee, along with other actions from the WAO review. The report indicated that substantial progress had been made by Employment Services and Payroll to implement most of the recommendations, some ahead of schedule, with work on the remainder underway.

The Chief Executive explained that the Chair and Vice-Chair had been briefed on the outcomes and confirmed that Sharon Carney was the Interim Human Resources and Organisational Development Manager. As a result of the concerns raised, the establishment of a project group had helped to make progress in putting in place more robust arrangements. The issues involved a number of complexities but were not about accuracy of payroll payments, and the process was particularly important in respect of Single Status. The Chief Executive added his appreciation to WAO for raising the concerns to eradicate any risk for future accounting.

Mr. Paul Williams thanked the Chief Executive and officers for their rapid progress and for the new actions added by the Internal Audit Manager. He referred to the request for employees to complete the 'Reporting Manager' fields on the iTrent reports and felt that this should be a stronger directive to Chief Officers for their employees to provide this information. The Internal Manager said that progress on this action was indicated in the follow-up report and that the need to complete this action would be stressed. The Chief Executive agreed that an instruction would be issued to require responses back by 31 March 2016 with any incomplete records to be followed up with Chief Officers.

Councillor Alison Halford expressed concern with some of the issues in the report and sought clarity on the area of responsibility for the failings. The Internal Audit Manager said it was not the fault of the software, but was due to incompleteness of some of the data within the fields on the system. He provided responses on actions being taken to address three of the issues, as set out in the report. In response to a query on the reporting of accurate data for the Clwyd Pension Fund, he advised that some improvement had been made with more work to be made as the issue was still being investigated. Councillor Halford asked for more detail on this, which the Internal Audit Manager agreed to provide separately.

When asked for his views by Councillor Halford, the Chief Executive repeated his earlier comments that the issues were around record-keeping and not individuals, software or inaccuracy of payments. He advised that swift progress had been made on the action plan to the satisfaction of all parties, recognising that there was still some work to do.

Councillor Halford asked the Chief Executive to confirm that he was satisfied with the fact that there was incomplete data in the 'Reporting Manager' field for 719 employees in March 2015. The Chief Executive questioned the motives behind these questions and replied that there was assurance from the progress on actions through the Internal Audit work and that he was satisfied with this and explanation of the issues.

Whilst Councillor Ian Roberts agreed with Members' right to ask questions, he raised concerns that there seemed to be a hidden agenda behind the questioning and pointed out that there were a number of agenda items yet to be considered.

Councillor Glyn Banks congratulated the Internal Audit Manager for the report with ten of the recommendations already implemented, noting that most of the points raised by Councillor Halford were for recommendations where actions were still in progress. The Chief Executive spoke about the project group which involved Internal Audit and said that the sharing of informal advice would remain part of the work as good practice.

Councillor Arnold Woolley asked if the action target dates were achievable and whether any carried forward would require further update reports to the Committee. The Internal Audit Manager advised that actions were scheduled for implementation by the required dates, with some already completed early and that progress with tracking recommendations would be reported to the Committee.

Mr. John Herniman of WAO welcomed the rapid progress made on the recommendations which would be reviewed as part of work on the 2015/16 accounts. He explained the likelihood of identifying some issues raised previously due to the timing of the report.

The Chief Executive confirmed that responses would be sought for the missing field data fields on iTrent by 31 March 2016 and that any outstanding data would be subject to immediate reconciliation work by the respective officers.

## **RESOLVED:**

That the progress made in implementing the actions from the original report be noted.

## **42. RISK MANAGEMENT UPDATE**

The Policy & Performance Manager provided an update on the areas of risk management under the remit of the Committee. The mid-year position on strategic risks in the Council's Improvement priorities reported positive movement with risks being successfully managed. A summary of all the risks was appended to the report indicating that 34 remained stable, with eight decreasing and three increasing. An additional paper was circulated to the Committee showing progress and narrative on the four major (red) risk areas. Members were reminded that detailed progress on risks in the Improvement Plan was reported quarterly to the respective Overview & Scrutiny Committees.

The report also included a copy of the Risk Management Policy & Strategy which had been refreshed to strengthen the approach to risk management, as previously endorsed by the Committee. The Strategy was now operational across all work areas of the organisation and had been shared with the Wales Audit Office (WAO) and made available on the Council's Infonet. A copy of the Certificate of Compliance by the Auditor General for Wales in relation to the publication of the Annual Performance Report 2014/15 was also provided for information.

The Chief Executive said that the information provided demonstrated the way that the system had been used to capture risks in the Improvement Plan, aligned to milestone and performance targets. He commented on the role of the Committee in seeking assurance of the systems in place and offered to clarify any areas of concern.

In response to earlier comments, Councillor Alison Halford said that she had no hidden agenda and wanted to ensure value for money. She referred to the additional information circulated on the supply of affordable housing and pointed out that this was already included in the report. The Policy & Performance Manager explained that the paper provided more clarity on the four 'red' risk areas at the time of the assessment and had been omitted from the agenda in error. In response to a query on the risks relating to the waste transfer station, the Chief Executive explained that the risk status was now closed as there was no longer any risk because the Council's facilities were now in place. He provided further explanation on expected movement on the 'scale of the financial challenge' once the budget had been approved and on the 'capacity and capability to implement necessary changes' linked to the delivery of alternative delivery models.

Councillor Arnold Woolley raised concerns about the risk in delivering the Welsh Housing Quality Standard (WHQS) due to the size of the work programme and the transfer of funding from health and rollout of Superfast Broadband which could involve issues outside the Council's control. In response, the Chief Executive stated his confidence in the funding and delivery of the WHQS work programme, explaining that this was the first year of major spend and ensuring

capacity was in place. Any slippage on targets for the second year would be recaptured with no risk to the overall delivery of the programme. On health, the system for accessing grants could involve delays and negotiations were currently underway about accessing other funding. The rollout of Superfast Broadband had started to improve coverage in some areas and the risk status was expected to decrease as the programme rolled out further. It was noted that the new Director of BT had been invited to attend an Overview & Scrutiny Committee meeting.

Councillor Woolley also raised concerns about the risk on failing to access external funding programmes to invest in urban and rural areas. The Chief Executive confirmed that the approach was to maximise opportunities to access funding and that the next phase of European Social Funds would be explored.

Councillor Halford asked whether the Cabinet Member for Economic Development could provide a note for the Committee on whether there was a failure in accessing funds. The Chief Executive replied that the Council did compete successfully on accessing funding and suggested that more detail on this risk could be reported as part of the regular Improvement Plan report to the next meeting of the Community & Enterprise Overview & Scrutiny Committee.

Mr. Paul Williams stated the remit of the Audit Committee was to ensure the risk management process was robust and suggested that it would be helpful for future reports to include a mechanism showing movement on current risks and that the report could contain more narrative for all red areas to help with monitoring. The Chief Executive agreed that this would be actioned.

**RESOLVED:**

- (a) That the mid-year summary of the strategic risks of the Improvement priorities of the Council be noted;
- (b) That the refreshed risk management strategy be endorsed; and
- (c) That the Certificate of Compliance provided by the Auditor General for Wales in relation to the publication of the Annual Performance Report 2014/15 be noted.

**43. CONSULTANTS**

The Internal Audit Manager presented a report on the findings of the review on the Council's use of consultants, following previous discussion by the Committee. He gave a reminder that the scope of the review had been around the controls and processes of engaging consultants and had not looked at the need for or value of consultants. However, during the process it became clear that the scope should be widened.

During explanation on the review, the Internal Audit Manager advised that the general ledger figure of £2.8m spend on consultants was considered inaccurate due to miscoding and misinterpretation of consultancy definitions and that this was a major factor of the report. He provided detail on the findings, adding that a number of actions had been taken since preparation of the report,

for example a working group to drive forward the actions, the implementation of new business case arrangements and communications to the Chief Officer team and management to follow-up actions. He gave assurance on the involvement of Internal Audit as part of that work and that of the officer group on accounting codes.

The Chief Executive provided context by acknowledging the need to widen the scope of the review to include controls, adding that miscoding errors did not mean inappropriate spend, which could for example be on specialist training. He gave a reminder that consultants were engaged (through agencies or individuals) to provide specific tasks for which the Council had no internal expertise. He said that consultancy spend this year had decreased and that the Corporate Resources Overview & Scrutiny Committee had been satisfied with the explanations on managing risk within the Change programme. The new arrangements for consultancy engagement meant that those under £25K would require approval by the Chief Officer (Governance) with the Chief Executive taking responsibility for all proposed consultancy spend over £25K. Information was shared on the few consultants above this threshold who were engaged in Organisational Change, Streetscene and Social Services. All were being monitored and had business cases on record. For the ongoing use of consultants, officers were challenging outcomes and progress to gain assurance with the expectation for knowledge sharing.

Councillor Alison Halford referred back to when she had first raised the issue of consultants. She spoke about the time taken to clarify definitions, the report from March 2011 which had focussed on controls rather than cost, followed up by a commitment from former Directors to share information on consultants, a further report on controls in December 2011 and work carried out by the Wales Audit Office (WAO). She raised concerns about the four bullet-points under the audit opinion in the report, which she felt did not correlate to what the Chief Executive had said. She went on to speak about the lack of recognition of consultancy organisations used by the Council as opposed to individual consultants and suggested that the £3m spend recorded for 2014/15 could have been much higher. She asked about the source of the budget for consultants and went to state that the Chief Executive was not fit for purpose, as she had already said outside the meeting.

The Chairman pointed out the findings of Internal Audit around the inaccuracy of the 2014/15 figure, and asked Councillor Halford whether she wished to stand by her comments despite this.

Councillor Halford said that she had read the report and was entitled to her opinion, saying that the Cabinet Member for Finance and the Chief Executive could not keep on making mistakes and the Audit Committee take no notice. She referred again to the explanation given in the audit opinion and added that the data released for the Freedom of Information request was inaccurate.

The Chief Executive said that this was the last time he would be undermined by Councillor Halford. When asked if they were satisfied with the answers given to the questions, the other Members indicated their agreement.

In response to comments on the authorisation of consultancy charges raised at a recent budget meeting, the Chief Executive provided clarification on this issue which related to Alternative Delivery Models, as had been discussed at Informal Cabinet. In respect of social care and health, the questions raised at the budget meeting had been addressed to the satisfaction of that Committee including the Chair. Concerning the comments made, he reiterated that there had been no evidence of actual financial loss, only the risk of loss. On controls, he had given a full explanation on those responsible for the system and the approach to engaging consultants and had taken personal responsibility to co-ordinate this with actions ahead of schedule. Sources of funding were either from designated budgets, corporate resources for time limited tasks such as Single Status which would add value or were partly/wholly funded from grants built into the cost of delivery, eg to support work on the Queensferry roundabout scheme with contributions from WG.

The Chief Officer (Governance) highlighted the necessity to engage suppliers of professional services such as barristers for County Court matters which differed slightly from consultants. However, as the previous definitions had been unclear, there had been confusion about what were professional services and what was consultancy. On the miscoding errors, other sources of information had been explored to give an indication on spend as set out in section 4 of the Internal Audit report. With regard to the point raised about Directors sharing details of consultant engagement, this had been identified by Internal Audit as an area not working effectively and the new processes had been implemented with clarity on the definition of consultants.

In response to Councillor Halford's concerns, the Internal Audit Manager explained that the explanation on the 'red - limited' assurance opinion was standard working indicating that 'one or more' of the bullet-points applied. To clarify, he said that the findings met two or possibly three of the four criteria, as key controls did not exist, however there was no evidence of significant financial/other losses but there was potential for this due to the lack of controls. As indicated in the impact, he could not say whether there had been any loss and there was a possibility of waste and damage to reputation. In relation to the sample of invoices, he stated that the payments which were incorrectly coded as consultants were nevertheless for legitimate purposes.

Councillor Arnold Woolley made reference to the supplementary information on consultants considered with the Statement of Accounts 2014/15, which had amounted to £490K. Councillor Woolley noted the correlation between that total with the indicative trend figure 2014/15 of £433K in the audit report which could give the Committee assurance that this was likely to be the more accurate figure. He noted that it differed vastly from the general ledger figure. He said that his major concerns were on reliability rather than figures and the Committee should seek assurance on this as part of its role and accountability on spend and value for money. He suggested that the approach should be to focus on outcomes from the actions due by the end of February and that the Committee should demand rigorous answers to any outstanding issues at that time.

The Chief Executive gave a commitment to progress actions and to use accounting data after the end of the first quarter to give assurance on improved

coding. A report on consultants would also be submitted to the Corporate Resources Overview & Scrutiny Committee on 11 February 2016.

It was pointed out by Mr. Paul Williams that the indicative spend on consultancy was likely to be higher as it did not include those on the Matrix system. He suggested that the supplementary information in the annual statement of accounts for 2015/16 should in future reflect the full cost of consultants for the financial year, including spend on both organisations and individuals. He welcomed the findings of the audit report but was concerned about continued non-compliance and questioned the role of the Committee and his part on it when identified issues remained ongoing without accountability. He felt that a possible solution would be for an independent, dedicated Chief Finance Officer to drive accountability and ensure that procedures were implemented. He went on to question whether the issue was due to failings by officers or time/resources.

These frustrations were shared by the Chief Executive, although evidence had been provided on the progress made. In responding, he pointed out that the use of consultants was an operational responsibility for all managers with the support of Finance and other sections, and that the Finance function added value but did not deal with controls. He referred to the two high-profile 'strategically critical' consultancy engagements identified in section 12 of the audit report whose work had been built into the delivery of the project plan with transfer of knowledge demonstrated. He added that adherence to the Contract Procedure Rules was the responsibility of all accountable managers and there had been no negative feedback on the performance of the Finance function as a result of the streamlined model adopted in 2014, although capacity issues were acknowledged.

On accountability, the Chief Officer (Governance) said that the flaw in consultancy procedures was being addressed and explained more about the introduction of 'category' management as a single point of control for authorising future consultancy spend on the P2P system.

Mr. John Herniman advised that where repeated non-compliance existed, the consequences should be considered and the reasons established to decide on a course of action and to build this into the ethos of the Council. The Chief Executive agreed that a harder stance could be taken on evidence of continued non-compliance to involve disciplinary procedures.

Councillor Halford stated that she wished to express her concerns. She felt that the audit report contained some misunderstandings which did not fit in with the information given to the Committee in 2010/11 and that the action plans shared in 2011 should have been addressed by now.

The Chairman shared the frustrations but said that the report acknowledged the remaining actions to be taken and that the Committee would expect feedback in September 2016 to give some confidence on consultancy spend and adherence to procedures across the Council. He hoped that this message would be reinforced to the workforce, with an audit trail in place to ensure value for money on use of consultants.



Councillor Halford asked if the Chairman would allow a vote on her suggestion for an external body to follow up the issue, given the concerns raised. The Chairman stated his satisfaction at the job undertaken by Internal Audit with progress to be reported back to the Committee.

In response to the concerns raised, the Chief Officer (Governance) suggested a series of recommendations for consideration by the Committee. These related to the provision of extra information on all consultancy spend, investigation of non-compliance with the procedures and a future update report to the Committee.

On the update report, the Chief Executive suggested an informal briefing for the Chair and Vice-Chair towards the end of the first quarter as an interim measure. Mr. Williams asked that the Chief Executive raise the concerns with the workforce and highlight accountability on the consequences for non-compliance with the procedures. The Chief Executive agreed to action this through the project group.

Councillor Woolley referred to other issues of non-compliance previously raised and asked whether the new structure was adequately resourced to carry out service demands. The Chief Executive replied that all Chief Officers had conducted risk assessments on the capacity within teams but that there would always be an element of risk. The proof was in service delivery and governance arrangements which were part of an ongoing process and were taken into consideration on restructures.

Councillor Glyn Banks wished to place on record his support for the Chief Executive and his disagreement on some of the comments which had been raised at the meeting. Whilst acknowledging that the areas for further improvement were being addressed through actions, he felt that the Committee should be fully briefed and not just the Chair and Vice-Chair. The Chairman requested that the update report be brought to the Committee in July rather than September.

Councillor Haydn Bateman agreed with the comments made by Mr. Williams and Mr. Herniman and acknowledged the assurances given by the Chief Executive.

Councillor Ian Roberts agreed that there was no more room for failure on this matter and that controls were needed, however this was not without risk and the Council had gone through significant change since the issue was identified in 2011. In supporting the point made by Councillor Banks, he felt that highly personal comments had been made during the debate and urged the withdrawal of the comment about the Chief Executive. Councillor Halford refused this request.

Following a short recess, the Committee reconvened and supported the suggested recommendations made by the Chief Officer (Governance), incorporating Mr. Williams' comments on the need for compliance with corporate requirements and procedures and the update report to be brought forward to the July meeting.

**RESOLVED:**

- (a) That additional information supplied as part of the annual accounts on individual consultants should include spend on all consultants;
- (b) That officers look at the reasons for any further non-compliance with corporate requirements and procedures and check appropriate management actions and accountability; and
- (c) That a separate report outside the usual follow-up update be brought to the Committee's meeting on 13 July 2016.

**44. TREASURY MANAGEMENT 2015/16 MID YEAR REPORT, QUARTERLY UPDATE AND 2016/17 STRATEGY**

The Finance Manager - Technical Accountancy presented the draft Treasury Management Strategy 2016/17 for review and discussion, seeking recommendation to Cabinet, in conjunction with the draft Treasury Management Policy Statement and draft Treasury Management Practices 2016-19. Section 1.05 of the report detailed the changes to four areas of the Strategy, although there were no major differences from the previous year. The annual Treasury Management training session for Members had taken place the day before the meeting. The report also sought comments from the Committee on the draft Treasury Management Mid-Year report for 2015/16 prior to consideration by Cabinet, and provided a quarterly update for information.

In response to a query from Councillor Arnold Woolley on the Policy Statement, the Finance Manager explained that only significant changes would need to be brought back for consideration by Members, however she did not envisage this to be necessary.

On Treasury Management Practices 2016-19, Mr. Paul Williams suggested further clarification on the sections TPM4 and TPM5 on Part 1 and on the sections for approved methodology for changing counterparty limits and money laundering in Part 2. The Finance Manager agreed to liaise with Mr. Williams following the meeting to agree the revised wording.

Councillor Glyn Banks asked if anything could be set up at this stage to take advantage of current interest rates. The Finance Manager explained that the borrowing requirements would need to be identified before entering into a deal and that the best approach would need to be considered. She added that Mr. Williams' suggestion at the training session would be discussed with the advisors.

In response to a question from Councillor Ian Dunbar on the need for more detail on Lender Option Borrower Option (LOBOs), the Finance Manager provided explanation but said it was not advisable to reschedule those debts at this stage as the premium would not be cost-effective.

When asked about the contract with Arlingclose, the treasury management advisors, the Finance Manager explained that this had now expired and was currently being tendered.

**RESOLVED:**

- (a) That the draft Treasury Management Strategy 2016/17 and Policy Statement 2016-19 be recommended to Cabinet on 16/02/16;
- (b) That the draft Treasury Management Practices and Schedules 2016-19 be recommended to Cabinet on 16/02/16, with the inclusion of the suggested changes;
- (c) That the draft Treasury Management Mid-Year Report 2015/16 be recommended to Cabinet on 16/02/16; and
- (d) That the Treasury Management 2015/16 quarterly update be noted.

**45. VARIATION IN ORDER OF BUSINESS**

Following discussion, a change in the order of business was agreed to bring forward the item on Statement of Accounts, due to time constraints. The remainder of the items would be considered in the order shown on the agenda.

**46. STATEMENTS OF ACCOUNTS 2014/15**

The Finance Manager introduced the addendum to the Wales Audit Office (WAO) Audit of Financial Statements which had been considered in September 2015 as part of the Statement of Accounts. The addendum report set out the recommendations of the WAO and was accompanied by the Council's action plan on how these issues would be addressed. Good progress had been made in implementing the action plan, as shared with the Chair and Vice-Chair, and the remaining work would be closely monitored. Attention was also drawn to the WAO Annual Audit Letter summarising the key messages from the Auditor General for Wales' statutory responsibilities.

Mr. John Herniman reported that all recommendations had been accepted and were being progressed and that no significant issues were highlighted in the Annual Audit Letter which summarised areas raised during work on the accounts. The report on grant claims was in the process of being compiled and would be brought to the Committee in due course.

The Chief Executive referred to his involvement in the establishment of a working group to monitor progress on the action plan and commented on the excellent relationship between the Council and WAO.

Mr. Paul Williams thanked the officer team for their work and welcomed the progress made so far.

Councillor Arnold Woolley welcomed the report but highlighted reference to errors arising from a change in preparing the Consolidated Income and Expenditure Statement (CIES) on page 2 of the Audit Letter. The Chief Executive clarified that all three issues listed had been addressed, partly as set out in the Payroll update, as well as changes to the accounting process with the Chief Officer team which had proved successful.

When asked by Councillor Alison Halford for her view on the level of resources, the Finance Manager said that she was satisfied with the resources in place to implement the actions. In addition, there was a mechanism through the working group to flag up issues at an earlier stage to prevent delays in producing the accounts within the statutory deadline. The Finance Manager also highlighted the vacant post of Technical Accountant as a contributing factor to some of the issues and introduced Tom Williamson who had been appointed in this role.

**RESOLVED:**

That the following documents be noted:

- WAO Audit of Financial Statements Report Addendum - Recommendations
- Council's Action Plan
- WAO Annual Audit Letter
- WAO Annual Audit Letter

**47. CORPORATE GOVERNANCE REPORT**

The Internal Audit Manager presented the report detailing proposed changes to the Code of Corporate Governance, as set out in paragraph 1.04 of the report, prior to consideration by the Constitution Committee. The draft had been prepared following work by the Corporate Governance Working Group and consultation with the necessary senior officers. The report also sought endorsement on the process for preparing the Annual Governance Statement (AGS) for 2015/16.

Councillor Arnold Woolley highlighted the importance of reviewing job descriptions for all senior officers to ensure all employees were aware of their responsibilities. The Chief Executive confirmed that this was the case and that one of the outcomes of Single Status was to better evaluate each job up to the most senior levels, with new job descriptions as a consequence of the restructure.

In response to a comment from Mr. Paul Williams on the resilient approach to business continuity, the Chief Executive confirmed that a review was underway following the recent bomb scare at County Hall.

**RESOLVED:**

- (a) That the updated Code of Corporate Governance be agreed; and
- (b) That the process for the preparation of the Annual Governance Statement be endorsed.

**48. EXTERNAL REGULATORS AND INSPECTIONS REPORTS**

The Internal Audit Manager presented the Committee with a summary of reports by external auditors, other regulators and inspectors, pursuant to

guidance under Section 85 of the Local Government (Wales) Measure. This was to provide assurance on the overall framework of assessment in place to monitor and respond to the recommendations.

The Chief Executive referred to the recent County Council presentation on the consultation on the draft Local Government (Wales) Bill which included provision for the roles of Overview & Scrutiny Committees. He reminded Members that the Council had previously adopted a protocol for regulatory reports involving seeking a response from Cabinet and assurance from the Audit Committee.

Following a question from Councillor Alison Halford on an issue with grant claims previously reported, Mr. John Herniman confirmed that the audit of grant claims had recently been completed by Wales Audit Office.

**RESOLVED:**

That the process for dealing with reports by external auditors, other regulators and inspectors during 2014 be noted.

**49. ACTION TRACKING**

The Committee received an update report on actions carried out to date from points raised at previous meeting of the Committee.

**RESOLVED:**

That the report be accepted.

**50. FORWARD WORK PROGRAMME**

The Committee received the report on the Forward Work Programme for the next year. No other changes were suggested apart from the update report on consultants for July 2016, as discussed earlier in the meeting.

**RESOLVED:**

That the Forward Work Programme be accepted, with the inclusion of the update report on consultants for the meeting on 13 July 2016.

**51. INTERNAL AUDIT PROGRESS REPORT**

The Committee received the update report on progress of the Internal Audit department and agreed that the item be deferred due to time constraints.

**RESOLVED:**

That the item be deferred.

**52. ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC**

There were two members of the press in attendance.

(The meeting started at 10.05 am and ended at 1.20 pm)

.....  
**Chairman**