

# Draft Minutes

## Governance and Audit Committee

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Date: 25 May 2023

Time: 5:00pm

Venue: Council Chambers- Hybrid Meeting

Present: G Chapman (Chair), Mr D Reed, Dr N Barry, Councillors R Mogford, G Horton, J Jordan, S Cocks and J Harris

In attendance: R Cornwall, M Rushworth, D Palmer, L Mahoney, L Townsend, L Rowlands, P Tasker, A Jenkins

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### 1. Apologies for Absence

1.1. None received.

### 2. Declarations of Interest

2.1. None received.

### 3. Minutes of the Last Meeting

3.1. The Minutes of the meeting on 30 March were agreed.

3.2. Recommendation: Dr Barry mentioned that there were no deadlines on the table of recommendations like there would be in a different context for actions or objectives and suggested that the recommendation table should be noted in the Minutes as good practice.

### 4. Appointment of Chairperson and Deputy Chairperson

4.1. Mr Chapman was nominated as Chair, seconded by Mr Reed, who was nominated and seconded as Deputy Chair.

### 5. Update on Elected member Related Party Declaration Forms

5.1. A verbal update from the Democratic and Electoral Services Manager was provided to the Committee.

- 5.2. The Democratic and Electoral Services Manager advised the Committee that there were 50 out of the 51 members who had submitted their completed forms and it was expected that the outstanding member would complete and submit their form by the following day.
- 5.3. Recommendation: The Chair asked if the Committee could be notified when all forms had been submitted otherwise, if there was still one form outstanding, the Councillor could be brought to the next committee in July to explain why they did not submit the form.

## **6. Call-in Strategic Director – Transformation and Corporate and the Head of Finance Re Purchasing Cards (Transactions) resulting in an Unsatisfactory Opinion**

- 6.1. Following an Unsatisfactory Internal Audit opinion in relation to Purchasing Card (P-Card) Transactions, the Strategic Director, and the Head of Service responsible for the P-Card system were invited to the Governance and Audit Committee to provide assurances that appropriate improvements within service provisions and the control environment were made.
- 6.2. The Committee considered the explanations and assurances provided by the Strategic Director and the Head of Service in relation to the concerns raised by Internal Audit for P-Card Transactions, and the improvements that were made in service provision following an Unsatisfactory audit opinion.
- 6.3. This annual P-Card audit had been finalised, with a report and agreed action plan in place, and was issued in March 2023.
- 6.4. The Head of Finance advised that the audit findings had been discussed at the Corporate Management Team (CMT) and the executive board. This was therefore part of a wider action plan that had received the highest level of focus and would be subject to an annual follow up. As a result, a significant improvement in the audit findings were to be expected when revisited.
- 6.5. The Strategic Director for Transformation and Corporate added context by advising that the audit assessed a period towards the end of the covid pandemic, when operating differently was sometimes used as a workaround to ensure service provision. It was also important to explain the use of P-Cards within the Council which was essential as a lot of activity is responsive on a day-to-day basis. P-cards eliminated the need for petty cash and P-Cards are there to facilitate these exceptions where other procurement and purchase processes were not possible. The P-Card Policy had already been re-written and reissued, and new online training was available online. This had been available since 15 May and there was a deadline of 23 June for every authoriser, supervisor, and user to complete this session. Officers who had failed to complete the training by this deadline would have their P-Cards cancelled immediately. To date 77 Officers out of the total 217 had undertaken the training and this demonstrated how seriously the audit results were being taken. In addition, all the actions that had been put in place in the plan had been completed.

### Committee Member Comments:

- 6.6. Dr Barry expressed confidence from what officers had said that these issues had been taken seriously, however did not accept that covid was a factor as policy should be followed regardless. When going through the action plan, Dr Barry considered that this was not a capability matter but a disciplinary matter. Dr

Barry felt that it was good to hear that training had been taken up and hoped that it would tackle the root cause of the problem. Dr Barry felt that strong management and supervision was needed. The Strategic Director for Transformation and Corporate referred to some of the management actions, in particular Appendix 2 where monthly inspections were put in place to ensure that staff were adhering to policy. With reference to covid, staff were operating in a remote way, therefore some things were harder to undertake than they had been previously, which had an impact on management control.

- 6.7. Dr Barry asked whether any disciplinary action been taken as a result and was advised by the Strategic Director for Transformation and Corporate that this was an HR issue that fell outside of the remit of the Committee, however he assured the Committee that any appropriate action would be taken.
- 6.8. Councillor Cocks felt that card supervisors were responsible for overseeing the use of P-Cards and asked how robust the process of checking was; he queried what the card supervisors were expected to do to uphold this part of the process. The Head of Finance advised that the policy had been updated to be more direct in regard to what was not acceptable and that training also contained direct instruction on what was not permitted and the consequences for this. The policy was therefore strengthened, and this was replicated in the training to be specific on the role of card holders and supervisors. The E Procurement Team also sends a notification to the relevant Head of Service if card supervisors have not carried out the necessary checks on transactions in any particular month. The Head of Finance confirmed that the last check and balance on this was the annual audit carried out by the central team.
- 6.9. Chair sought clarification on the Head of Finance's response for assurance that the wording in the policy be specified that all supervisors must carry out a specific level of sample checks on transactions. The Head of Finance advised that this was the case and that every transaction needed to be approved by the supervisor, including the supporting documentation for the transaction in the form of either an invoice or receipt.
- 6.10. Councillor Horton wanted assurance that emails in relation to each transaction were being read, understood, and actioned. The Strategic Director for Transformation and Corporate confirmed that there had been management meetings, training and policy re-launched, plus sanctions that come with not following the process. Emails were therefore part of that process and the training as part of the Meta compliance system would ensure that supervisors would fully understand every aspect of the process.
- 6.11. Cllr Mogford asked what the maximum spending limit on the cards was, and whether transactions are pre- or post-approved. The Head of Finance advised that the P-Cards came with a standard transaction limit. The Service Manager for Procurement and Payments advised that the limit was £100 per transaction with a maximum monthly spend limit of £5,000. The standard transaction limit could be varied by the card supervisor or Head of Service if it needed to be increased for exceptional purchases.
- 6.12. The Chair queried where the approval for any increases to the monthly threshold spend was authorised. He suggested that a Finance Officer should approve it rather than the service manager in these circumstances. The Head of Finance advised that any and all such requests came through the Procurement Team who would undertake a reasonable check and inform the Head of Service, especially as the Procurement Team would pick up any anomalies in spending immediately. In addition, if the Procurement Team were not happy, they would report directly to the Head of Finance.

- 6.13. Recommendation: With regard to the training, the Chair suggested that if the remaining 140 Officers holding a P-card had not completed their training within the required deadline of 23 June, those staff outstanding should have their P-Cards removed. Further to this, the Chair asked for figures to be made available of staff that did not complete the training to be brought to the July Committee. The Head of Finance agreed to these suggestions and also advised that all new card holders would also need to undertake training in the future before being allocated a P-card.
- 6.14. Recommendation: The Chair also referred to Page 31 Appendix 1 Table 4b 'completed action' and 'work in progress' for communications to be issued to all staff regarding parking/speeding tickets when using a vehicle on council duty. The Chair reflected that this could not be done until the fleet management policy was updated, but the implementation date for this was 20 June. The Chair asked for confirmation on when these actions would be done. The Strategic Director for Transformation and Corporate confirmed he would check on this and would find this information by the next meeting.
- 6.15. Recommendation: The Chair also advised that in Appendix 1 Table 4b, action was in progress to recover the cost of parking / speeding fines; the Chair therefore asked for an update on the outcomes of this action. The Strategic Director for Transformation and Corporate assured the Chair that appropriate measures would be taken such as disciplinary action, if needed.
- 6.16. The Chair felt that great progress had been made and thanked the Audit Team and CMT for addressing these issues and looked forward to the results of the internal audit review to take place within six months.

**Resolved:**

- 6.17. That Members of the Governance and Audit Committee:  
Accepted the explanations and assurances of the Strategic Director and the Head of Service, which would be confirmed via the follow up internal audit planned for 2023/24.

**7. Update on PTU Taxi Contracts resulting in Second Unsatisfactory Opinion – January 2023**

- 7.1. The follow up audit was carried out during February and May 2022 with the weaknesses and agreed management actions summarised in the briefing note attached to the agenda papers. Work had been undertaken by the service area to implement each of the actions outlined in the briefing note and it was noted that these actions were now completed.
- 7.2. The above-mentioned table on pages 41 to 45 summarised the outstanding individual weaknesses identified during the follow up review.

Committee Member Comments:

- 7.3. Dr Barry was concerned about the future management of this, for example what was being done to ensure DBS checks were up to date and wanted assurance that it would be managed appropriately in the future. Dr Barry expressed concern that additional resources had been allocated to an area she considered

to be performing poorly when resources had been cut in other areas. The Head of City Services advised that a business case was presented to the executive board in relation to PTU, in recognition of workloads that had increased. It was recognised that the extra resource was needed, not solely for checking driver's licences but additional functions across the PTU. In addition, the computer system was not adequate to issue alerts when DBS and licence checks were due. Therefore, a weekly system was developed to provide drivers ample time to renew their DBS forms before they expire.

- 7.4. Councillor Jordan asked how long in advance would the DBS reminders take place. The Head of City Services advised that the reminder would take place six weeks in advance, this was in the form of an email and a follow up phone call.
- 7.5. Chair referred to the training of escorts and wanted assurance that every escort had undertaken training. The Chair was advised that these were checked weekly and that they were up to date.
- 7.6. In relation to communication with Education, PTU and stakeholders who met on a regular basis, the Chair asked when the group last met. The Head of City Services advised that they had last met earlier that week and these meetings were held monthly. The Head of Corporate Safeguarding also attended this group.
- 7.7. D Reed mentioned that it was good to see the progress which was ongoing.
- 7.8. The Chair also thanked the Head of Service and gave credit to the team on their progress.
- 7.9. Recommendation: The Chair also requested an update from the Head of City Services at the next Committee in July on the contemporary figures, and at the subsequent committee to demonstrate their continuing progress.

**Resolved:**

- 7.10. The Governance and Audit Committee noted the update from the Head of City Services and requested further updates for the next two committee meetings.

**8. Update on Call-in of Strategic Director for Social Services and Head of Service re the Internal Audit of Adoption Allowances resulting in a Second Unsatisfactory Opinion – January 2023**

- 8.1. A verbal update was provided to the Committee by The Acting Chief Internal Auditor, who met briefly with the Strategic Director, Head of Service and Service Managers the day before this committee.
  - Additional capacity had now been made available to support the process.
  - There were some staffing challenges that were being dealt with.
  - Discussions were ongoing as to where Adoption Allowances were overseen.
  - A second Audit follow up report was still in draft. Service Managers were meeting to agree management actions. The Audit Team would be meeting with them shortly to agree the action plan and timescales for implementation and then finalise the audit report.

- 8.2. It was understood that the Strategic Director and Head of Service were invited to the committee meeting in July to provide an update.
- 8.3. The Chair advised that committee members had an opportunity to question the Strategic Director for Social Services at the next meeting in July.

**Resolved:**

- 8.4. That the Committee noted the comments of the Acting Chief Internal Auditor and that the Strategic Director for Social Services would be invited to the next meeting on 27 July.

**9. Treasury Management Outturn Report – 2023/24**

- 9.1. In line with the agreed Treasury Management Strategy, the Council continued to be both a short-term investor of cash and borrower to manage day-to-day cash flows. Current forecasts indicated that, in the future, temporary borrowing may be required to fund normal day-to-day cash flow activities and longer-term borrowing would increase to fund commitments in the current capital programme, as well as the impact of reduced capacity for 'internal borrowing'.
- 9.2. The Authority also invested in three covered bonds within 2022-23, totalling £10m, in line with the Council's Treasury Management Strategy, which stated that the Council would consider long term investments of up to £10m.
- 9.3. During the year, the Council's total borrowing had reduced from £142.1m to £138.6m and total investments reduced from £58.3m to £47.2m, meaning overall the Council net borrowing increased by £7.6m to £91.4m as at 31 March 2023.
- 9.4. The report confirmed that all prudential indicators were complied with during 2022/23.

Committee Member Comments:

- 9.5. Councillor Cocks asked how slippage was being managed in relation to the Capital Schools Programme, as this had been delayed due to Covid. The Assistant Head of Finance mentioned that the Capital Programme overall was set and agreed by Cabinet and was profiled as realistically as it could be. The Finance team were looking at the governance arrangements to manage the risk of slippage based on the evolving economic factors. Covid was a factor, as well as inflation, however it is being monitored and managed closely.
- 9.6. Councillor Cocks went on to ask if the Welsh Government would provide funding to help the Council. The Assistant Head of Finance advised that Welsh Government was always open to discussions and opportunities to provide more funding but still requires the Council to manage any differences in the programme.
- 9.7. The Chair reminded Councillor Cocks that the Governance and Audit Committee's role was to ensure that staff had treasury management and prudential indicators under control. As a committee needed to be assured that the programme was fundable to meet the respective commitments and any changes were monitored by officers.
- 9.8. Dr Barry commented that it was an excellent paper, and it gave assurance to the Committee Members and thanked the Assistant Head of Finance. Dr Barry referred to the £10.6M of Council owned property and asked was capacity and

any opportunity to generate revenue being reviewed. The Strategic Director for Transformation and Corporate advised that the assets across Newport were operational in nature and that the vast majority of assets were schools, commercial industrial and land. There was a project in place to develop a new asset strategy and maximising the income associated with the assets, by way of repurposing, disposal, and asset transfer. The Assistant Head of Finance also added that the £10.6M was mainly investment property, which would generate a return.

- 9.9. Recommendation: D Reed referred to page 50, point 13 and asked if there was an error in in the Investment and Accrued Interest figures. The Assistant Head of Finance would check the figures for accuracy and amend accordingly before it was reported back to Cabinet in June.
- 9.10. The Chair echoed Dr Barry's comments that this was an excellent report with a good training session prior to committee and thanked everyone that contributed to the report.

#### **Resolved:**

- 9.11. The Governance and Audit Committee noted the report on treasury management activities for the period 2022-23 and provided comments to Cabinet/Council.
- 9.12. It was also recommended by the Governance and Audit Committee that this be kept under regular review.

#### **10. Internal Audit Annual Report 2023/24**

- 10.1. The Newport City Council Internal Audit was an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helped an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- 10.2. This report was prepared in accordance with the Public Sector Internal Audit Standards. It gave an overall opinion on the adequacy and effectiveness of the City Council's internal controls during 2022/23, which was **Reasonable** - Adequately controlled although risks were identified which may compromise the overall control environment; improvements required; reasonable level of assurance.
- 10.3. For 2022/23 the overall opinion was based on the approved Revised Internal Audit plan 2022/23 (July 2022). The full year plan was based on delivering 1073 audit days. Reliance on previous years' audit work was also taken into consideration in arriving at this year's opinion in that there have been no significant systems or staff changes.
- 10.4. The second part of the report related to the performance of the Internal Audit Section and how well its key targets in the year were met. 77% of the approved audit plan was completed for the year against a target of 80%.

#### Committee Member Comments:

- 10.5. Dr Barry mentioned that it was a good report with good overall performance considering staff stretched on resources. The Acting Chief Internal Auditor advised that any issues would be escalated to the Head of Service if necessary

as well as the operational managers. Audit ensure that their Terms of Reference were circulated in advance to get everyone on board. Sometimes there were difficulties but there were mechanisms in place to overcome this if necessary. The Strategic Director for Transformation and Corporate agreed with Dr Barry's further comments that this was a concern and would hinder audit carrying out their work. The Chair suggested that if there were issues with escalating audits that it should be referred to the following committee meeting.

- 10.6. Dr Barry was concerned that audit was not able to access a certain level staff and documentation, 9% of the report's actions were not implemented and that due to resource issues, there was no assurance that actions were carried out. This was noted by the Head of Finance.
- 10.7. Dr Barry did not recall any information on the National Fraud Initiative (NFI) coming to this committee and wondered whether it should. The Acting Chief Internal Auditor advised that audit had not provided any detailed report regarding the NFI. The Head of Finance confirmed this however would be brought to committee following the next exercise; this ran every two years. The Chair added that Audit Wales were undertaking a review of the authority and the NFI and a report would be available within the next six to eight weeks.
- 10.8. D Reed asked was there any reason committee should not be calling in an unsound report. The Acting Chief Internal Auditor advised that the report had been finalised, with a comprehensive action plan in place. Audit had dealings with the Strategic Director and service managers who had taken this seriously and it was raised at the Executive Board. In the past it was standard practice to call in the second unfavourable audit opinion, but this was committee's decision.
- 10.9. D Reed also referred to page 70, paragraph 25, were 146 delegates received training during the year and that HR were going to get involved in training. Was there any context in the numbers, for example, of how many people overall should take the training and what would be put in place to ensure training was completed. The Strategic Director for Transformation and Corporate explained that HR was going through the process of redefining mandatory training for staff. There was a new system in place called Meta Compliance to push training out to staff, this would hold a record of completed training which would provide detailed information for future reports. Training that was considered mandatory changed, particularly over the last few years with the pandemic. Training was carried out through the NHS portal, but this was unreliable. Training was not undertaken by HR, but HR's element was understanding who undertook the training.
- 10.10. The Chair asked the Strategic Director if they knew how many individuals had undertaken mandatory training and who did not complete the training and what was the sanction. The Strategic Director advised that it was complex and there were approximately 5,700 staff, of which 3.5K worked and they had their own set of mandatory training. There was approximately 700 people working in Social Services who also had their own set of mandatory training and recorded through Welsh Community Care Information System (WCCIS). Corporately, there was a series of mandatory training modules which would now be pushed out via Meta Compliance. The complex part was the understanding of the job roles and the mandatory training associated with the job roles. Job roles and descriptions were also being reviewed, as there were 850 different job descriptions. Therefore, it was quite complex but there was a solution being put in place.
- 10.11. D Reed referred to the Southwest Audit Partnership who were supporting audit with their work and asked what premium was being paid for that service over and above the expected job scale rate. The Acting Chief Internal Auditor



advised that the external resources costed around 50% more in a substantive role.

- 10.12. D Reed appreciated that audit was under resourced, and asked were alternative arrangements being considered. The Head of Finance agreed that resources were an issue as well as in other areas across the council, which was similar to other councils in Wales. There were resilience issues and different operational models were being looked into such as the regional service and had made initial informal contact and should receive communication towards the end of summer. The filling of the more junior vacancies was being looked into in the meantime.
- 10.13. Chair referred to Appendix C where jobs were not completed by year end, there were three high risks. Why were they not dealt with ahead of medium risk matters and how many on the list had been carried over from the previous years. The Acting Chief Internal Auditor advised that the three high risks, the corporate governance follow up at year end was delayed. Car Parks was in progress at year end but did not get to drafting report stage, but this report would be in draft shortly. Regarding Housing Needs, audit was asked to delay because of the new Head of Service, which started in October, but it was down to resources in the team. It was therefore started but was last minute and was currently a work in progress. There were three medium risk schools planned but the audit team was refused entry as it was during the teacher's strike. This was relayed back to the Head of Service. There were reviews currently in progress on the audit plan.
- 10.14. Chair remarked that if there were issues within the schools, it was important contact Head Teachers to visit schools to undertake the audit. The Chair asked the Strategic Director was there a statutory basis to enter schools.
- 10.15. Recommendation: The Strategic Director advised that if the Chair wanted to add this as an action, he and The Acting Chief Internal Auditor would contact the Chief Education Officer to discuss this to see what could be done, this was however an ongoing issue.
- 10.16. D Reed asked as a committee, if there was an unsound report regarding Safeguarding – Children's Money, should they be called in. The Chair understood that a final report was issued and agreed that they should be called. This was the first unsound report received by the Committee, but they were unsatisfactory in the past.
- 10.17. Recommendation: Therefore, the Chair considered that they should be called in to committee.
- 10.18. D Barry agreed with the Chair's comments and asked was there any reason why the committee could not see the full report for context.
- 10.19. Recommendation: Chair suggested that this should be dealt with in a private session. The Strategic Director advised that it was one way forward, but it would need to be discussed with the Monitoring Officer as a Part 2 report. The Committee may wish to discuss the themes around the report.
- 10.20. The Chair remarked that there were capacity issues and asked the Head of Finance that if the council was failing in discharging duties, would it be worthwhile providing a short report to this committee to get reassurance that losing staff would not have an impact, for the next budget round. The Chair did declare an interest with regards to the regional consortium, as it reports to other committees that the Chair facilitates. If staff were used in the consortium, would this be the way forward. The Head of Services advised that it was the vacancies that were a problem and that was where the potential collaboration would have

benefits and would bring resilience, experience, and skillset. The Head of Finance advised that the consortium had been approached and would hear by the end of summer as previously mentioned. Generally, however, it was around the level of assurance but was not an absolute thing. The Regional Body would also help.

**Resolved:**

- 10.20. The Governance and Audit Committee noted and endorsed the Annual Internal Audit Report 2022/23 and overall Audit Opinion.
- 10.21. The Strategic Director for Social Services be Called in regarding the Unsound Audit Opinion for Children Services Safeguarding Children Money
- 10.22. The Monitoring Officer be contacted to see if this should be discussed as Part 2 item.
- 10.23. Report taken to GAC regarding staffing / auditing resources and capacity in the Audit Team in relation to the regional consortium at a future meeting.

**11. Internal Audit Annual Plan 2023/24**

- 11.1. Newport City Council's Internal Auditing was an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helped an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- 11.2. It objectively examined, evaluated, and reported on the adequacy of internal control as a contribution to the proper, economic, effective, and efficient use of the Council's resources.
- 11.3. The attached report was the Operational Internal Audit Plan for 2023/24 based on an assessment of risk and available audit resources for the 12 months of the financial year. The plan was based on delivering 862 audit days.
- 11.4. The Council's Section 151 Officer had the legal responsibility for the provision of Internal Audit.

Committee Member Comments:

- 11.5. Recommendation: D Reed referred Appendix 3 and asked if the risk column could also be included and in addition, of the same Appendix, there were 74 areas that had never been audited and 223 items that were not audited after 2019/20; how material was this. The Acting Chief Internal Auditor explained that some areas were never audited but behind the audit plan was information and discussions in terms of how the audit team arrived at the audit plan and it was based on the available days. Discussions take place with Heads of Services to see which areas were of priority and some areas do get bumped. Covid had an impact, and audit had struggled with vacancies, which had a knock-on effect. Prioritising jobs was subjective, there was a continual balance. Discussions took place every year to arrive at this audit plan.
- 11.6. Councillor Cocks asked was it the Head of Service that decided the level of risk. The Acting Chief Internal Auditor advised that the Head of Service had influence over the audit plan as well as the Corporate Risk Register, including other factors, such as the executive board and independent review before it was approved, including the Head of Finance.

- 11.7. Councillor Cocks added that the council budget was to focus on delivering services to the most vulnerable and wondered how this played into the plan for example the school meals contract was being audited but Councillor Cocks felt that there were other areas that could be audited in relation to vulnerable people, such as Children with ALN and out of county placements which would be of some concern regarding the financial restrictions. The Acting Chief Internal Auditor mentioned that there were lots of influencing factors and Heads of Service had an opportunity to contribute to the audit plan. The key issues mentioned might not feature in the Audit Plan but could be other internal reviews of service areas taking place where duplication would be avoided such as ESTYN or Audit Wales, these issues were taken into account.
- 11.7.1. The Strategic Director also added that every year the Council ran a workshop with regulatory Bodies, ESTYN, Health Care Inspectorate Wales and Audit Wales and the audit team fit into the assurance work frame. This could be noted for review however if the Chair agreed. Councillor Cocks also added that auditing resources were being undertaken in auditing schools rather than other service areas. Was audit therefore reviewing the school budget and spending or other areas such as exclusion and ALN. The Acting Chief Internal Auditor mentioned that there was a standard programme looking at budgets and purchasing, income, governance, banking, and statutory policies. A themed review into exclusions across the schools. Each audit had a different scope but there was a range of different areas covered in the school audit, not purely financial administration. The Strategic Director added that part of the function of central education service that covered Gwent was to give assurance around points that Councillor Cocks raised.
- 11.8. Dr Norma Barry commented that she did not recall the Audit Wales reports coming to Committee. The Acting Chief Internal Auditor confirmed that they had been considered by Committee as part of the regulatory reports on a periodic basis. Dr Barry stated that it was important as a committee that the council was addressing the actions in those reports.
- 11.9. The Strategic Director stated that committee received the regulatory reports both as part of the Terms of Reference and part of the Committees statutory responsibility to monitor the Councils work against the recommendations that came out of the regulatory bodies.
- 11.10. The Chair stated that if the Committee received a report from Audit Wales and there were specific recommendations then the Committee needed to track them. This was in case Estyn arranged an inspection and would be able to pick up on actions that were not followed-up.
- 11.11. The Strategic Director stated that the last report included a table which stated the regulatory body, the recommendations given, what actions were taken and what committees oversaw this. For example, educational items were discussed at the Scrutiny Committee for People, which meant the Governance and Audit Committee's role would be to make sure there were mechanisms in place for delivery against that action rather than monitoring the delivery of the action.
- 11.12. Chair highlighted that there were 48 audits for 2023/24 and only 38 audit opinions were delivered last year and there were 27 non opinion jobs. The Chair did not therefore want audit to be set up to fail by over committing and under delivering. The Acting Chief Internal Auditor explained that this was assuming that vacancies were filled in October and also buying in a resource for 80 days. Chair asked were the jobs going out to advert and was there a salary saving. The Head of Finance explained that he and The Acting Chief Internal Auditor were actively looking into the recruitment process.

- 11.13. Recommendation: The Chair asked was it possible to prioritise the high-risk audits first and then carry out the medium risk audit. The Acting Chief Internal Auditor said that it was possible but that the team was limited in resource as high-risk audits needed a principal auditor to undertake these.
- 11.14. The Acting Chief Internal Auditor advised that the 'never' meant that it had never been audited under that specific job title, but that did not necessarily mean that there was no job coverage in that areas. There could have been a common theme audit or cross cutting review which was why that specific audit job was never audited.
- 11.15. Recommendation: The Chair suggested that it might be worthwhile indicating on the table that it may have been covered, by adding an asterisk to say it was covered under another theme to give re-assurance. The Acting Chief Internal Auditor agreed that this could be looked into for the 2024/25 Plan.

**Resolved:**

- 11.16. The Internal Audit Annual Plan 2023/24 be noted and approved by the Council's Governance and Audit Committee.

**12. Forward Work Programme**

- 12.1. The purpose of a forward work programme helped ensure Councillors achieved organisation and focus on the undertaking of enquiries through the Governance and Audit Committee function. This report presented the current work programme to the Committee for information and detailed the items due to be considered at the Committee's next two meetings.

**Resolved:**

- 12.2. The Governance and Audit Committee endorsed the proposed schedule for future meetings, confirmed the list of people it would invite for each item and indicated whether any additional information or research was required.
- 12.3. Safeguarding Children's money be added to the Work Programme for the next committee meeting.
- 12.4. That the Governance and Audit Committee Annual report be added to the Work Programme, to be discussed with the Strategic Director for Transformation and Corporate.

**13. Date of Next Meeting**

- 13.1. The next meeting would take place on 27 July 2023 at 5pm.