

GOVERNANCE AND AUDIT COMMITTEE - THURSDAY, 17 JULY 2025

**MINUTES OF A MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE HELD HYBRID IN THE COUNCIL CHAMBER - CIVIC OFFICES,
ANGEL STREET, BRIDGEND, CF31 4WB ON THURSDAY, 17 JULY 2025 AT 10:00**

Present

G Chapman – Chairperson (Lay Member – Present Virtually)

C Davies
RL Penhale-Thomas

O Clatworthy

M L Hughes

RM Granville

Present Virtually

MJ Williams

S J Griffiths

S Easterbrook

Lay Members – Present

B Olorunnisola

Lay Members – Present Virtually

D Austin

A Bagley

Apologies for Absence

None

Declarations of Interest

None

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Officers:

Carys Lord	Chief Officer - Finance, Housing & Change
Lindsay Harvey	Corporate Director - Education, Early Years & Young People
Andrew Wathan	Head of Regional Internal Audit Service
Joan Davies	Deputy Head of Regional Internal Audit Service
Martin Morgans	Interim Head of Operations - Community Services
Sara-Jane Byrne	Audit Wales
David Williams	Audit Wales
Rachel Harries	Audit Wales
Deborah Exton	Deputy Head of Finance
Nigel Smith	Group Manager - Chief Accountant
Rachel Keepins	Democratic Services Manager
Simon Roberts	Senior Fraud Investigator
Alex Rawlin	Corporate Policy & Performance Manager
Kate Pask	Corporate Performance Manager
Stephen Griffiths	Interim Scrutiny Officer
Oscar Roberts	Business Administrative Apprentice - Democratic Services

232. Approval of Minutes

Decision Made	The Minutes of the meeting on 19 June 2025 were approved as a true and accurate record.
Date Decision Made	17 July 2025

233. Governance and Audit Committee Action Record

Decision Made	The purpose of this report was to provide Members with an update on the Governance and Audit Committee Action Record. <u>RESOLVED:</u> The Committee noted the Action Record.
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Date Decision Made	17 July 2025
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234. Audit Wales Governance and Audit Committee Reports

Decision Made	The purpose of the report was to submit to the Committee one report from Audit Wales: '<i>Arrangements for Commissioning Services – Bridgend County Borough Council</i>' (Appendix A). The purpose of the Audit Wales report was to provide assurance that councils have proper arrangements for commissioning services to secure value for money in the use of resources, provide assurance that councils are acting in accordance with the sustainable development principle in commissioning services, and explain how councils approach the commissioning of services and inspire and empower councils and other public sector bodies by identifying and sharing examples of notable practice/ approaches where relevant. The Council's Management Response Form was attached at Appendix B. Overall, Audit Wales found that the Council does not have arrangements to assure itself that it consistently secures value for money when it commissions services. In response to the report, Members discussed a number of issues, including the following: • The Chairperson noted that he had already considered a similar report in another Council and this one had similar conclusions. There is good practice in some areas and areas for improvement in others. In respect of the management response, the Chairperson thought that it picked up quite a lot of the issues in regard to consistency, which are central to the report. • Whether the Council's approach to commissioning was indicative of the directorates acting as silos, and whether the corrective actions would themselves be at risk because of the financial constraints within the central budget. In response, the Chief Officer - Finance, Housing & Change noted that whilst the Council had a centralised procurement unit that stretched across directorates, there was not a centralised commissioning function. She noted however, that there are other elements of service that Audit Wales did not look at such as social care where there is good practice going on in relation to commissioning. It was necessary to pull together those officers working on commissioning to prepare guidance and share the good practice that is going on and ensure that it then happens across all teams.
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	• Whether there were budget implications in trying to do somethings more centrally. In response, the Chief Officer - Finance, Housing & Change indicated that she did not think so but if that position changed as work to implement change continued, then it could prove necessary to look again at what resource would be required. • A Member asked how we could keep asking residents to pay more council tax when the Council couldn't guarantee that their money was being spent wisely or strategically. He added that Audit Wales indicated that there was hardly any evidence of long-term planning. In response, a representative from Audit Wales indicated that, though the term value for money is used quite a lot in the report, they did not conclude that the Council's Commissioning services do not offer value for money. Instead, they found that the Council does not have the arrangements in place to assure itself that there is consistency across the organisation in terms of its arrangements to secure value for money in commissioning services. • The Chairperson reiterated that the crux of what was being discussed was the need to ensure consistency. He added that local government budgeting in Wales operated on an annual cycle and, in reality, the amount of money that local authorities have, apart from what is required to meet statutory requirements under education and social care, was minimal. • A Member noted there was a need for caution in the use of terminology as one reading of the report suggested that there were no established commissioning arrangements in the Council when that was clearly not true. He added that inspections by Audit Wales were welcome of course in assisting the authority to improve the way that it commissions services and everything else that it does but this council had existed for almost 30 years and whilst appreciating the very specific nature of this inspection, that only now in 2025 were we having a discussion around the arrangements by which the Council can assure itself it is securing value for money. In addition, the Member asked if Audit Wales was satisfied with the management response to the report and they confirmed that they were. • A Member drew attention to recent decisions to insource waste services and grass cutting and asked whether these represented value for money. He noted that given the discussions that took place at SOSC 3 on 30 September 2024 about waste services it was clear there was not sufficient information to justify making such a decision. He added that he thought the management response was 'very poor' and expressed surprise that Audit Wales were satisfied with it. • The Chairperson noted that Members would find similar conclusions and responses in the reports about other local authorities. The key was to put something in place that will assure the citizens of Bridgend that a robust system was in place to oversee the commissioning process. In response, the Chief Officer - Finance, Housing & Change suggested that this could be something that internal audit could pick up in their annual audit plan, possibly for 2026/27. The Chairperson proposed that this was a topic for consideration by a Scrutiny committee.
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	• A Member thought it important that the Committee not overreact to the report. As far as he was concerned, Audit Wales were telling the Council that it needed greater consistency and governance on top to make sure that consistency and good practice was everywhere. He supported the request, along with other Members, to refer the issue to a Scrutiny committee to look at the plans as they mature and to make sure that they are totally fit for purpose. He thought that was the role of the Governance and Audit Committee: to identify issues and propose fixes. • A Lay Member noted that there was a need to give full consideration and ensure a consistent approach to the Well-being of Future Generations Implications in producing all the reports on the agenda. There was an urgent need for a full impact assessment that explored the relationship between different issues and the overall impact on policies and their implementation. • Following on from the previous contribution, a Member speculated, given the report, the management response, and the contributions of Members to the discussion about them, whether there was an opportunity to pause and plan and do something a bit wider than the original response, taking account of the Well-being of Future Generations Implications, and look at commissioning and procurement in a more holistic, strategic and sustainable way. <u>RESOLVED:</u> The Committee noted the Audit Wales Governance and Audit Committee Report at Appendix A along with the Council's Management Response Form to the report at Appendix B. The Committee requested that the issue of commissioning (including the Audit Wales report and management response) be referred to a Scrutiny Committee for consideration. The Committee requested that the Democratic Services Team take measures to ensure authors strengthen the sections of every report that summarise the impact assessments in respect of the Equality, Well-being of Future Generations, Climate Change and Nature, Safeguarding and Corporate Parenting, and Financial, Implications.
Date Decision Made	17 July 2025

235. Internal Audit Recommendation Monitoring

Decision Made	The purpose of this was report was to provide members of the Committee with a position statement on internal audit recommendations made, implemented and outstanding as at 30th June 2025 and consider the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service. • In response to the report, Members discussed a number of issues in respect of Parking Enforcement (and Strategy), Home to Work Mileage in Council Vehicles (including tax liability), Porthcawl Harbour (including the composition and workings of the Board, the need for political representation, oversight of the strategic direction, and the availability of the minutes), and the issues identified at two schools, Penybont Primary and Maesteg. In response, the Corporate Director - Education, Early Years & Young People and the Interim Head of Operations - Community Services committed to supplying the Committee with the information requested by Members. • The Chairperson noted that he had expected written reports to be submitted to the Committee, on the issues identified at the previous meeting in respect of the areas of concern, and not just updates in the context of an internal audit recommendation monitoring report. <u>RESOLVED:</u> Members of the Governance and Audit Committee noted the content of the report and considered the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service. The Committee requested that formal written reports, to include where appropriate the reasons for delays in implementing recommendations, be submitted by the responsible Directors to the next meeting of the Committee, as follows: • Parking Enforcement • Home to Work Mileage in Council Vehicles. • Porthcawl Harbour. • The issues identified at two schools, Penybont Primary and Maesteg.
Date Decision Made	17 July 2025

236. Draft Statement of Accounts 2024-25

Decision Made	The purpose of the report was to present to the Governance and Audit Committee the unaudited Statement of Accounts for 2024-25 attached at Appendix A for noting. In response to the report, Members discussed a number of issues, including the following: • The Chair thanked the team for getting the draft statement of accounts to the Auditor General by the due date of the 30 June. • Given that the Council was awaiting the draft accounts from the City Deal, a Member asked if there was anything that could be done about it, given this was the second year this had happened. In response the Group Manager – Chief Accountant noted that they do keep pressing when will they be available, and that they had produced them in time for Bridgend to meet the audit deadline last year. Given that concerns have been raised by others about the delays, the Chairperson proposed that a letter be sent to the Auditor General to express the concern of Members about this issue. • A Member noted that the deadlines kept being tightened and asked whether they were practical and realistic. • A Member noted the substantial number of redundancies in 2024/25, compared to 2023/24, and the cost of exit packages. • Another Member suggested that the higher number of redundancies could be linked to the loss of Shared Prosperity Funding (SPF). The Chairperson noted that redundancy funding was left to local authorities when grant funding from government sources for example, was made to finance projects and initiatives. • The Group Manager – Chief Accountant indicated that he would take the comments about redundancies away and provide an overview for Members in due course. • A Member noted that although the final approved Capital budget for the year was £56.110 million, total expenditure was only £29.331 million. A Member indicated that he would have expected more narrative in the report about why this was the case, given the variance. In addition, the Member noted that most of our capital funding came from external grants, and they usually came with time limits. In response, officers indicated that it was always difficult to judge how much detail to provide but pointed out that a full analysis of capital spending had been submitted in a report (<i>Capital Programme Outturn 2024-25 and Quarter 1 Update 2025-26</i>) to Cabinet and Council on 22 and 23 July, and offered to provide a link to the report in the final version of the Statement of Accounts 2024-25. • A Member noted that the Council needed to get a proper grip of the capital programme and that
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	meant proper forecasting. Following on from this, a representative from Audit Wales indicated that they had begun a local government study on capital planning, and the outcomes could be of interest to Members. • A Lay Member drew attention firstly, to the section of the report on risks, consequences, and mitigation but noted that there was no discussion of their impact. Secondly, he noted that the report disclosed the number of employees who receive a salary over 60K, going up from 183 last year to 242 this year. He thought there should be some narrative about why that was the case. Thirdly, he asked about the 'reasonable' rating overall in terms of governance, risk and control and the Council's direction of travel. In response to the third point, the Head of the Regional Internal Audit Service (RIAS) indicated that the average opinion was based on individual opinions issued on individual audit jobs. He hoped that Members will have noted from the annual report that there had been an improvement and an increase in the number of substantial assurance reports in 2024-25. He thought that was a step in the right direction, but it would take a considerable amount of audit opinions to be substantial to give an overall opinion change from reasonable to substantial. • In response to all the comments, officers indicated that they would take account of them in preparing the final version of the Statement of Accounts 2024-25. <u>RESOLVED:</u> The Governance and Audit Committee noted the unaudited Statement of Accounts 2024-25 at Appendix A; and, Requested that a letter be drafted, for the Chairperson to sign to the Auditor General expressing concern at the delay again of the Cardiff Capital Region City Deal accounts.
Date Decision Made	17 July 2025

237. Porthcawl Harbour Return 2024-25

Decision Made	The purpose of the report was to present to the Governance and Audit Committee the unaudited Porthcawl Harbour Return for 2024-25. In response to the report, the Chairperson noted that the local authority's contribution to the running costs of Porthcawl Harbour was £148,027. A Member asked for the narrative about staffing costs in regard to Row 6 of the accounting statement to be clarified.
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	<u>RESOLVED:</u> The Governance and Audit Committee approved the unaudited Porthcawl Harbour Return 2024-25 at Appendix A, subject to an amendment to the narrative about staffing costs in regard to Row 6 of the accounting statement.
Date Decision Made	17 July 2025

238. Annual Governance Statement 2024-25

Decision Made	The purpose of the report was to present to the Governance and Audit Committee the Annual Governance Statement 2024-25 (AGS) for approval and inclusion within the unaudited Statement of Accounts 2024-25. <u>RESOLVED:</u> The Governance and Audit Committee approved the draft Annual Governance Statement at Appendix A and agreed to its inclusion within the unaudited Statement of Accounts 2024-25.
Date Decision Made	17 July 2025

239. Treasury Management Outturn Report 2024-25

Decision Made	<u>RESOLVED:</u> At the request of the Chairperson, this item was deferred to the next meeting.
Date Decision Made	17 July 2025

240. Annual Corporate Fraud Report 2024-25

Decision Made	<u>RESOLVED:</u> At the request of the Chairperson, this item was deferred to the next meeting.
Date Decision Made	17 July 2025

241. Corporate Risk Assessment

Decision Made	<u>RESOLVED:</u> At the request of the Chairperson, this item was deferred to the next meeting.
Date Decision Made	17 July 2025

242. Regulatory Tracker

Decision Made	<u>RESOLVED:</u> At the request of the Chairperson, this item was deferred to the next meeting.
Date Decision Made	17 July 2025

243. Self-Assessment 2024/25

Decision Made	The purpose of this report was to seek the Governance and Audit Committee's views on the draft self-assessment for 2024/25.
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	In response to the report, Members discussed a number of issues, as follows: • A Lay Member asked what, now that Wales is to become a 'Marmot Nation', the Council was doing to think about the metrics involved in adopting Sir Michael Marmot's eight principles, which aim to eliminate unfair and avoidable differences in health which can be caused by where people live, what kind of job they do and how they are treated in society, as part of the wellbeing objectives. • The same Lay Member noted that the reference to the target in respect of the number of pupils on the waiting lists for specialist provision in respect of Additional Learning Needs (ALN) was questionable given that such provision should be based on a Population Needs Assessment (PNA). Also, that it was worth exploring youth work as part of interventions and services designed to support education. In response, the Policy and Public Affairs Manager indicated they would consult with Education colleagues before finalising the report for Council. • A Member asked about the timetable for consideration of the draft report before its submission to Cabinet and Council and discussed the steps that were being taken locally and at an all-Wales level in respect of the involvement of the service user in assessing performance. • A Member and officers discussed the score of 'Good' (WBO 5.5) in respect of the commitment to improve flood defences and schemes to reduce flooding of homes and businesses, and the value and adequacy of aims and Performance Indicators (PIs). On the same topic, another Member asked about SuDS (Sustainable Drainage Systems) as a planning condition for major developments and certain other development. • A Lay Member asked about the control we have over the system to assess performance and whether there was a standard matrix to aid comparability. • A Member noted that the assessment of our own performance might not resonate with the service user and questioned the judgement of 'Good' in respect of making the Council an attractive place to work. By definition, if it was difficult to recruit planning officers and engineers for example, the Council was not an attractive place to work for everyone. • A Lay Member commented that some of the challenges around involvement, collaboration and engagement sit at the heart of the implementation of work on the Well-being of Future Generations work and wondered whether a strategic implementation of that may help with some of that thinking around how we get stakeholder engagement at the heart of decision making. In response, the Policy and Public Affairs Manager noted that a number of relevant projects were being undertaken in this regard and suggested that the Group Manager - Communications and Public Affairs could be invited to brief Members about them.
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	<u>RESOLVED:</u> The Governance and Audit Committee considered and provided views and comments for officers to note on the draft Self-assessment 2024/25 report in Appendix 1 supported by performance information in Appendix 2.
Date Decision Made	17 July 2025

244. Panel Performance Assessment (PPA)

Decision Made	The purpose of this report was to inform the Governance and Audit Committee of the requirement on the Council to commission and organise a panel performance assessment (PPA) before the next local government elections, and the implications of this requirement. It provides information on governance and the role and responsibilities of GAC. In response to the report, the Chair noted that it did not include a paragraph 3.9. <u>RESOLVED:</u> The Governance and Audit Committee considered their role and responsibilities in the Panel Performance Assessment process set out in paragraphs 3.10 and 3.11.
Date Decision Made	17 July 2025

245. Forward Work Programme 2025-26

Decision Made	The purpose of this report was to seek approval for the updated Forward Work Programme for 2025-26. In response to the report, the Chair indicated that there four outstanding reports that needed to be submitted to the next meeting of the Committee. A Member noted that there were issues about the oversight and reporting of outside bodies for which we
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	appoint members. For example, the Coity Wallia Board of Conservators, established by the Coity Wallia Commons Act of 1976, has two members from the Council and oversees the management, maintenance and improvement of the Coity Wallia Commons. Given the committee's responsibilities in response to 'governance', and the fact such joint committees are discharging duties on behalf of the constituent councils, the Chair proposed that what was required was a report from the Chief Officer - Legal & Regulatory Services, HR & Corporate Policy, to be submitted in due course, on where all joint committee minutes are reported, and suggested that this was a matter that could be considered by Audit Wales. In response, an officer from Audit Wales indicated that there was a commitment to look at 'partnership governance' in their work programme and that she would check with colleagues what that entailed and that she would bring it back to the committee in the future. <u>RESOLVED:</u> The Committee considered and approved the updated Forward Work Programme for 2025-26, subject to the following amendments in respect of the next meeting on 30 October 2025: • A report by the Corporate Director - Education, Early Years & Young People on how the issues identified by RIAS at two schools, Penybont Primary and Maesteg, are being addressed. • Three reports by the Corporate Director – Communities on Home to Work Mileage in Council Vehicles, Parking Enforcement (and Strategy), and Porthcawl Harbour (including the composition and workings of the Board).
Date Decision Made	17 July 2025

246. Urgent Items

Decision Made	This agenda item was not considered by the Committee.
Date Decision Made	17 July 2025

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To observe further debate that took place on the above items, please click this [link](#).

The meeting closed at 13:15.