

GOVERNANCE AND AUDIT COMMITTEE - THURSDAY, 30 JANUARY 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, 30 JANUARY 2025 AT 10:00

Present

G Chapman – Chairperson

C Davies

M L Hughes

RM Granville

N Clarke

Present Virtually

S J Griffiths

MJ Williams

Lay Members – Present Virtually:

B Olorunnisola

A Bagley

D Austin

Attendees:

J Spanswick

J Gebbie

Apologies for Absence

S Easterbrook and R J Smith

Declarations of Interest

None

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg.

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Officers:

Chris Morris	Accountant
Oscar Roberts	Business Administrative Apprentice - Democratic Services
Stephen Griffiths	Democratic Services Officer - Committees
Carys Lord	Chief Officer - Finance, Housing & Change
Deborah Exton	Deputy Head of Finance
Nigel Smith	Group Manager - Chief Accountant
Rachel Keepins	Democratic Services Manager
Samantha Clements	Audit Wales
Joan Davies	Deputy Head of Regional Internal Audit Service
Alex Rawlin	Corporate Policy & Performance Manager
Andrew Wathan	Head of Regional Internal Audit Service
Janine Nightingale	Corporate Director - Communities
Philip O'Brien	Digital Transformation and Customer Services Manager
Kate Pask	Corporate Performance Manager

194. Approval of Minutes

Decision Made	The Minutes of the meeting on 28 November 2025 were approved as a true and accurate record.
Date Decision Made	30 January 2025

195. Governance and Audit Committee Action Record

Decision Made	<p>The purpose of this report was to provide Members with the Governance and Audit Committee Action Record and an update on collaborative working between the Committee and Scrutiny Committees.</p> <p>In response to the report, Members raised and discussed a number of issues, including the following:</p> <ul style="list-style-type: none">• The Chair thanked the Democratic Services Manager for convening the very productive meeting with the Scrutiny Chairs on 9 December 2024.• The implementation of agreed actions in regard to Home to Work Mileage in Council Vehicles. The Corporate Director - Communities provided an overview of the issues the service had faced in implementing the agreed actions and mapped out a way forward, including the introduction of a
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	<p>more robust policy and a fleet review.</p> <ul style="list-style-type: none">• In response to the request by the Democratic Services Manager in regard to the referral at the last meeting of the Committee in November 2024, that the Wales Penalty Processing Partnership (WPPP) be referred to the relevant scrutiny committee, the Chair indicated that this was a service provided to a consortium of councils by one local authority, Denbighshire County Council, and Members wanted to know if there were other options, as well as who was responsible for quality assurance and monitoring, and whether this was the most cost effective way of providing the service. <p><u>RESOLVED:</u></p> <p>The Committee noted the Action Record and the proposed approach for collaborative working between Scrutiny and Governance and Audit Committees and provided comments, as appropriate.</p>
Date Decision Made	30 January 2025

196. Audit Wales Governance and Audit Committee Reports

Decision Made	<p>The purpose of this report was to submit to the Committee one report from Audit Wales on the 'Financial Sustainability of Local Government.'</p> <p>In response to the report, Members raised and discussed a number of issues, including the following:</p> <ul style="list-style-type: none">• That the report provided very sobering reading and that it was clear that at all levels of government in Wales and the UK, the risks around the services provided by councils are being underestimated. The cost pressures were not the result of mismanagement or poor operations. It was simply demographic and cultural change, the needs of children and of older people, of social care generally, and whilst the issues are manageable in the short term, the current approach is not sustainable over the long-term. There was a need to engage in strategic thinking that was much more long-term and creative.• Whether the Welsh Government had responded to the report. The representative from Audit Wales indicated they were not aware of any response so far.• That the report showed that councils in Wales had much in common and that they were all facing the same problems and pressures. Interestingly, though, it also showed that Bridgend was in a very favourable position compared to other local authorities. In response, the representative from Audit
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	<p>Wales noted that it was difficult to compare councils because of differences in demographics and the complexity of issues that they have to manage in terms of delivering their services, but that data was available if the Council wanted to compare itself to other councils.</p> <ul style="list-style-type: none">• There is a need to consider how partner organisations can be incentivised to work and plan for the future collaboratively.• In response to the discussion, the Chief Officer - Finance, Housing & Change, reminded Members that the further out you go in planning terms, the scunter the information and the assumptions that have to be made are less based on evidence and more on guesswork. The problem is that there are only annual settlements through Welsh Government at the moment, so projecting out to seven years would be challenging.• That the Future Generations Act had asked local authorities to consider where they might be in fifty years' time. <p><u>RESOLVED:</u></p> <p>The Committee noted the Audit Wales report on the 'Financial Sustainability of Local Government.'</p>
Date Decision Made	30 January 2025

197. Corporate Risk Assessment

Decision Made	<p>The purpose of this report was to provide the Committee with an updated Corporate Risk Assessment. The Corporate Risk Assessment is reviewed by the Governance and Audit Committee as part of the Council's quarterly Corporate Performance Assessment framework. The Corporate Risk Assessment has been considered and reviewed in consultation with Corporate Management Board. All risks have been updated to reflect the current corporate risks being managed by the Authority.</p> <p>In response to the report, Members raised and discussed a number of issues, including the following:</p> <ul style="list-style-type: none">• A Member thanked officers for producing a report that was much easier to read than previous ones.• Two issues needed further consideration and analysis, as they promised to become major issues in the long-term: firstly, if the council is unable to deliver transformation and major service change, including projects and agreed financial savings (COR-2019-02); and secondly, the financial fragility of schools in the Borough (EDFS-2024-01).• Given demographic changes and the complex needs of some children, many of the services
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	<p>needed to support them would be best provided as part of a central function rather than being organised by individual schools.</p> <ul style="list-style-type: none">• That beyond the major corporate risks, there were a range of smaller but still important statutory services and responsibilities that the council has to oversee but which are increasingly difficult to manage and deliver. Every service area had to risk assess the likelihood of failure or non-delivery to ensure that an overall service remains in place. Difficult and balanced decisions had to be made all the time.• There was a need to be doing more in terms of recruitment and retention and in working with Employability Bridgend. <p><u>RESOLVED:</u></p> <p>The Committee considered the Corporate Risk Assessment (Appendix A); and the Committee agreed to the changes proposed in para 3.2 prior to submission of the Corporate Risk Assessment to Council for approval on 26 February.</p>
Date Decision Made	30 January 2025

198. Treasury Management Strategy 2025-26

Decision Made	<p>The purpose of this report was to present to the Committee the draft Treasury Management Strategy 2025-26 (TMS). The TMS incorporates the Borrowing Strategy, Investment Strategy and Treasury Management Indicators.</p> <p>In response to the report, Members raised and discussed a number of issues, including the following:</p> <ul style="list-style-type: none">• The status of non-treasury investments, investment property, valued at £4.990 million as of 31 March 2024, and whether, despite them producing an income for the Council, it might be worth selling them. In response, the Chief Officer - Finance, Housing & Change, proposed sending a note to Members summarising the current status of the investment properties owned by the Council.• A Member thanked officers for responding to the request to include a glossary with the report. <p><u>RESOLVED:</u></p> <p>The Committee considered the draft Treasury Management Strategy for 2025-26; and recommended that</p>
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	the final updated Treasury Management Strategy, reflecting the latest financial information available as of 31 December 2024, be presented to Council for approval on 26 February 2025.
Date Decision Made	30 January 2025

199. Statement of Accounts 2023-24: Lessons Learned

Decision Made	<p>The purpose of the report was to present to the Committee the lessons learned following the completion of the audit of the 2023-24 Statement of Accounts. The Council's Statement of Accounts 2023-24 was approved by the Governance and Audit Committee on 28 November 2024 and approved by the Auditor General for Wales on 29 November 2024. The 2024-25 audited Statement of Accounts will require approval by the Governance and Audit Committee by 31 October 2025 to meet the publication deadline.</p> <p>In response to the report, Members raised and discussed a number of issues, including the following:</p> <ul style="list-style-type: none">• The recent emergence of the Corporate Joint Committee (CJC) for the Cardiff Capital Region, and whether more could be done to inform Members, officers and the wider community about its work; and whether we need to account for it in different ways in documents such as the Statement of Accounts. In response, the Group Manager – Chief Accountant indicated that in essence, the accounting would be the same in that our element of the CJC would be incorporated into our statement of accounts.• The Chief Officer - Finance, Housing & Change noted that there would be value in having a member briefing on the CJC to outline exactly what changes have taken place, including the governance structures, and how the County Borough fits into it.• The issues surrounding the implementation of the Audit Wales recommendation regarding the introduction of an Asset Management System (AMS), and the interim measures being taken to avoid some of the challenges that arose this year.• The Chair thanked officers and colleagues from Audit Wales for their work on the Statement of Accounts and indicated there was a need to consider how the Minutes from the governance structures of the CJC could be brought into the Council for Members to consider significant issues and developments. This was an issue for the Chief Officer - Legal & Regulatory Services, HR & Corporate Policy to consider in the first instance.
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	<p><u>RESOLVED:</u></p> <p>The Committee noted the report.</p>
Date Decision Made	30 January 2025

200. Corporate Complaints

Decision Made	<p>The purpose of this report was to provide an update to the Committee on the current process and a proposal on the way all corporate complaints will be monitored, recorded and reported going forward.</p> <p>In response to the report, Members raised and discussed a number of issues, including the following:</p> <ul style="list-style-type: none">• The importance of capturing complaints made to councillors.• The need, given a new system for managing complaints was being implemented, for a robust definition of a complaint. That it could be worth discussing this issue with the Public Services Ombudsman for Wales.• The need to ensure that agreed timelines for the resolution of a complaint are met and that where this is not possible the reasons are captured and followed up. In response to this, the Group Manager - Transformation, Customer Services & Partnerships indicated that the new system would allow the Council to automate some of the processes that are managed manually, including the categorization of complaints, the routing and resolution of complaints by specific service areas, and the escalation process. The system would then be able to generate performance reports that would allow the Governance and Audit Committee to consider and follow up serious failures.• That there was a need to address issues surrounding the costs of non-compliance in respect of services offered by the Council.• That there was a need to ensure that as many identified officers as possible dealing directly with complaints are brought into the new system and that they operate as a virtual team to ensure consistency and clarity in the operation of the complaints system.• That capturing compliments was also important. Compliments could be catalysts for positively supporting the culture in the local authority, reducing variance, and promoting innovation.• The importance of maintaining the new system and ensuring continuity of service if officers leave the authority.
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	<p><u>RESOLVED:</u></p> <p>The Committee noted the recent review of the corporate complaints process and the upcoming development of a new process and digital solution and requested that an update on progress in implementing the new system be submitted to the meeting of the Committee on 19 June.</p>
Date Decision Made	30 January 2025

201. Global Internal Audit Standards (GIAS) Presentation

Decision Made	<p>The purpose of this report was to provide Members with a presentation on the new Global Internal Audit Standards (GIAS), which will replace the Public Sector Internal Audit Standards. The GIAS become effective in the public sector on 1st April 2025. The key changes are as follows:</p> <ul style="list-style-type: none">• a 'mandate' for internal audit; in local government, internal audit's primary mandate comes from statutory regulations.• an internal audit strategy.• professional courage and professional scepticism.• Internal Audit plans support the achievement of organisation's objectives. <p>In response to the report, the Chair requested that the PowerPoint slides be shared with Members of the Committee and that if anything else arises in the coming months a further short presentation could be provided.</p> <p><u>RESOLVED:</u></p> <p>Members of the Committee noted the content of the report and presentation.</p>
Date Decision Made	30 January 2025

202. Progress Against the Internal Audit Risk Based Plan 2024-25

Decision Made	<p>The purpose of this report was to provide Members with a position statement on progress being made against the audit work within the approved Internal Audit Risk Based Plan 2024-25.</p>
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	<p>In response to the report, Members raised and discussed a number of issues, including the following:</p> <ul style="list-style-type: none">• That, given the 80% target for audit completion by the end of the year, whether those not completed would be a source of concern. In response, the Head of the Regional Internal Audit Service (RIAS) noted that it was not yet clear which audits would form part of the 20%, but that RIAS was working to get as many of the audits done as possible. If any are not completed, this would be reported to the Committee to assess whether any need to be identified for priority action in the 2025-26 plan.• The status of the audit concerned with business continuity planning, which had been given a limited opinion. In response, the Head of RIAS indicated that a draft report had been issued and that he would bring it to the Committee once it was finalised. <p><u>RESOLVED:</u></p> <p>Members of the Committee noted the content of the report, and the progress made against the 2024-25 Internal Audit Risk Based Plan.</p>
Date Decision Made	30 January 2025

203. Internal Audit Recommendation Monitoring Report

Decision Made	<p>The purpose of this report was to provide Members of the Committee with a position statement on internal audit recommendations made, implemented and outstanding as of 31 December 2024 and consider the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service.</p> <p>In response to the report, the Chair drew attention to a number of outstanding recommendations in respect of home to work mileage, security and access to Council buildings, Saint Mary's Catholic Primary School, and procurement. He indicated that these needed to be monitored closely, and an update should be provided at the next meeting of the Committee.</p> <p><u>RESOLVED:</u></p> <p>Members noted the content of the report and considered the information provided in respect of the status</p>
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	of the high and medium priority recommendations made by the Regional Internal Audit Service.
Date Decision Made	30 January 2025

204. Regulatory Tracker Update

Decision Made	<p>The purpose of this report was to provide an update to the Committee on the Regulatory Tracker updated to the end of quarter 2 (Q2) of 2024-25.</p> <p>In response to the report, Members raised and discussed a number of issues, including the following:</p> <ul style="list-style-type: none">• That the report suggested there were outstanding issues about the process for considering referrals from the Governance and Audit Committee to scrutiny committees. The Democratic Services Manager clarified this, reiterating the approach for collaborative working, as outlined in the Action Record report, discussed earlier in the meeting.• That the report noted there were a number of outstanding actions from the inspections/ audits completed by key regulators of local government services.• The Chair noted that the regulatory tracker was working as it allowed Members to monitor progress against recommendations in a clear and concise way.• The Chief Officer - Finance, Housing & Change indicated that she was not sure if all the narratives were up to date and that she would take the tracker to the Corporate Management Board (CMB) to obtain the latest information. Updates and revisions, including those based on Q3 data, would be captured in the next iteration of the report.• The Chair indicated that responsible officers needed to be held accountable for the implementation of agreed actions.• Whether an updated report could be the first substantive agenda item at the next meeting of the Committee. <p><u>RESOLVED:</u></p> <p>The Committee considered the summary points and detailed regulatory tracker and raised issues of concern for follow-up. Members requested that an updated report be submitted to the next meeting of the Committee in April 2025.</p>
Date Decision Made	30 January 2025

205. Forward Work Programme 2024-25 and 2025-26

Decision Made	<p>The purpose of this report was to seek approval for the updated Forward Work Programme for 2024-25 and for the draft Forward Work Programme for 2025-26.</p> <p>In response to the report, Members raised and discussed a number of issues, including the following:</p> <ul style="list-style-type: none">• The possible need for a special meeting to consider some issues in more depth. The Chair indicated he would discuss this with the Chief Officer - Finance, Housing & Change.• That the issue of the Council's approach to long-term strategic thinking and planning needed to be addressed. The Chair indicated he would discuss this with the Chief Officer - Finance, Housing & Change. <p><u>RESOLVED:</u></p> <p>The Committee considered and approved the updated Forward Work Programme for 2024-25 and the draft Forward Work Programme for 2025-26, subject to the following additional reports being added to the agendas of two meetings:</p> <p>24 April 2025</p> <ul style="list-style-type: none">• An update on the Regulatory Tracker. <p>19 June 2025</p> <ul style="list-style-type: none">• A report on Home to Work mileage.• A progress report on the implementation the new complaints system.
Date Decision Made	30 January 2025

206. Urgent Items

Decision Made	None
Date Decision Made	30 January 2025

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

The meeting closed at 12:59.