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Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr  
Bridgend County Borough Council



Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont, CF31 4WB / Civic Offices, Angel Street, Bridgend, CF31 4WB

*Rydym yn croesawu gohebiaeth yn Gymraeg. Rhowch wybod i ni os mai Cymraeg yw eich dewis iaith.*

*We welcome correspondence in Welsh. Please let us know if your language choice is Welsh.*



**Cyfarwyddiaeth y Prif Weithredwr / Chief Executive's Directorate**  
Deialu uniongyrchol / Direct line /: 01656 643148 / 643694 / 643513  
Gofynnwch am / Ask for: Gwasanaethau Democraidd

Ein cyf / Our ref:  
Eich cyf / Your ref:

**Dyddiad/Date:** Dydd Iau, 11 Mehefin 2026

Annwyl Cyngorydd,

**PWYLLGOR LLYWODRAETHU AC ARCHWILIO**

Cynhelir Cyfarfod Pwyllgor Llywodraethu ac Archwilio Hybrid yn Siambr y Cyngor - Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr, CF31 4WB / o bell drwy Microsoft Teams ar **Dydd Iau, 18 Mehefin 2026 am 10:00.**

**AGENDA**

- 1 Ymddiheuriadau am absenoldeb  
Derbyn ymddiheuriadau am absenoldeb gan Aelodau.
- 2 Datganiadau o fuddiant  
Derbyn datganiadau o ddiddordeb personol a rhagfarnol (os o gwbl) gan Aelodau / Swyddogion yn unol â darpariaethau'r Cod Ymddygiad Aelodau a fabwysiadwyd gan y Cyngor o 1 Medi 2008.
- 3 Cymeradwyaeth Cofnodion 3 - 14  
I dderbyn am gymeradwyaeth y Cofnodion cyfarfod y 21/05/26.
- 4 Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio 15 - 18
- 5 Asesiad Busnes Byw 19 - 24

6	<u>Ymholiadau Archwilio i Reolwyr a'r Rhai sy'n Gyfrifol am Lywodraethu gan Archwilio Cymru ar gyfer Archwiliad 2025-26</u>	25 - 48
7	<u>Adroddiad Archwilio Mewnol Blynyddol 2025-26</u>	49 - 80
8	<u>Strategaeth Archwilio Mewnol Flynyddol a Chynllun yn Seiliedig ar Risg 2026-27</u>	81 - 98
9	<u>Rhaglen Gwaith Ymlaen 2026-27</u>	99 - 104
10	<u>Materion Brys</u>	

I ystyried unrhyw eitemau o fusnes y, oherwydd amgylchiadau arbennig y cadeirydd o'r farn y dylid eu hystyried yn y cyfarfod fel mater o frys yn unol â Rhan 4 (pharagraff 4) o'r Rheolau Trefn y Cyngor yn y Cyfansoddiad.

Nodyn: Bydd hwn yn gyfarfod Hybrid a bydd Aelodau a Swyddogion mynychu trwy Siambr y Cyngor, Swyddfeydd Dinesig, Stryd yr Angel, Pen-y-bont ar Ogwr / o bell Trwy Timau Microsoft. Bydd y cyfarfod cael ei recordio i'w drosglwyddo drwy wefan y Cyngor. Os oes gennych unrhyw gwestiwn am hyn, cysylltwch â [cabinet\\_committee@bridgend.gov.uk](mailto:cabinet_committee@bridgend.gov.uk) neu ffoniwch 01656 643148 / 643694 / 643513 / 643159

Yn ddiffuant

**K Watson**

Prif Swyddog, Gwasanaethau Cyfreithiol a Rheoleiddio, AD a Pholisi Corfforaethol

#### **Dosbarthiad:**

Cynghorwr:

A R Berrow  
O Clatworthy  
S Easterbrook  
RM Granville  
S J Griffiths  
J Llewellyn-Hopkins  
M L Hughes  
RL Penhale-Thomas

Aelodau Lleyg:

D Austin  
A Bagley  
G Chapman  
B Olorunnisola

COFNODION CYFARFOD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO A GYNHALIWDYD YN HYBRID YN SIAMBR Y CYNGOR, Y SWYDDFEYDD DINESIG, STRYD YR ANGEL PEN-Y-BONT AR OGWR CF31 4WB DDYDD IAU, 21 MAI 2026 AM 10:00

Presennol

G Chapman – Cadeirydd (Aelod Lleyg)

O Clatworthy

Presennol yn Rhithwir

A R Berrow

S Easterbrook

RM Granville

~~MAIR Berrow~~

Aelodau Lleyg - Presennol yn Rhithwir

D Austin

A Bagley

B Olorunnisola

Ymddiheuriadau am Absenoldeb

RL Penhale-Thomas

Datganiadau o Fuddiannau

Dim

Swyddogion:

Nigel Smith  
Joanne Norman  
Andrew Wathan  
Joan Davies  
Kate Pask  
Sara-Jane Byrne

Rheolwr Grŵp - Prif Gyfrifydd  
Dirprwy Bennaeth Cyllid Dros Dro  
Pennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol  
Dirprwy Bennaeth Gwasanaeth Archwilio Mewnol Rhanbarthol  
Rheolwr Polisi a Pherfformiad Corfforaethol  
Archwilio Cymru

Helen Goddard  
Rachel Keepins  
Oscar Roberts  
Stephen Griffiths

Archwilio Cymru  
Rheolwr Gwasanaethau Democrataidd  
Swyddog Gwasanaethau Democrataidd - Pwyllgorau  
Swyddog Gwasanaethau Democrataidd - Pwyllgorau

**284. Ethol Cadeirydd**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD:</u>  Penodwyd G Chapman yn Gadeirydd.
Dyddiad Gwneud y Penderfyniad	21 Mai 2026

**285. Ethol Is-gadeirydd**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD:</u>  Penodwyd A Bagley yn Is-gadeirydd.
Dyddiad Gwneud y Penderfyniad	21 Mai 2026

**286. Cymeradwyo'r Cofnodion**

Y Penderfyniad Wnaed	<u>PENDERFYNWYD:</u>  Cymeradwywyd Cofnodion y cyfarfod ar 29 Ionawr 2026 (a ailgynullwyd ar 2 Chwefror 2026) fel cofnod gwir a
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	chywir.
Dyddiad Gwneud y Penderfyniad	21 Mai 2026

**287. Cofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio**

Y Penderfyniad a Wnaed	<p>Diben yr adroddiad oedd rhoi'r wybodaeth ddiweddaraf i'r Aelodau am Gofnod Gweithredu'r Pwyllgor Llywodraethu ac Archwilio.</p> <p>Nodwyd bod yr Aelodau wedi derbyn diweddariadau drwy e-bost, mewn perthynas â'r materion canlynol cyn y cyfarfod:</p> <p><b>13 Mai:</b> Cynhwysydd Llong.</p> <p><b>18 Mai:</b> Argymhellion archwilio mewnol hwyr ar Benodi Ymgynghorwyr, Darpariaeth Amgen y Bont, a Safonau'r Gymraeg.</p> <p><u>PENDERFYNWYD:</u></p> <p>Bod y Pwyllgor wedi nodi'r Cofnod Gweithredu.</p>
Dyddiad y Gwnaed y Penderfyniad	21 Mai 2026

**288. Adroddiadau Pwyllgor Llywodraethu ac Archwilio Archwilio Cymru**

Y Penderfyniad a Wnaed	Diben yr adroddiad hwn oedd cyflwyno dau adroddiad gan Archwilio Cymru i'r Pwyllgor, fel a ganlyn:
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- Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr – Crynodeb Archwiliad Blynyddol 2025 – (Atodiad A).
- Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr – Cynllun Archwilio 2026 – (Atodiad B).

Mewn ymateb i'r adroddiadau, cododd yr Aelodau'r materion canlynol:

- Cynllun Pensiwn Llywodraeth Leol – Ei berfformiad ac achosion cyfreithiol parhaus. Mewn ymateb, tynnodd cynrychiolydd o Archwilio Cymru sylw at y ffaith eu bod yn aros i weld sut gallai'r ailbrisiu tair blynedd effeithio ar y cynllun, a'u pryder oedd sicrhau bod canlyniadau'n cael eu datgelu a'u cyfrif yn gywir o fewn y cyfrifon yn hytrach nag asesu perfformiad y gronfa bensiwn ei hun. O ran yr achosion cyfreithiol sy'n parhau, y materion allweddol iddynt oedd a oeddent wedi cael eu hystyried o fewn y gwerthusiad actiwaraid, ac a fyddai angen unrhyw ddatgeliadau ychwanegol yn y cyfrifon ar gyfer unrhyw rwymedigaethau amodol. Nododd y gellid anfon rhagor o fanylion at yr Aelodau. O ran perfformiad, nododd y Rheolwr Grŵp – Prif Gyfrifydd, ei fod wedi derbyn yr adroddiadau cychwynnol gan yr actiwari a'i fod yn dangos gwared eto'r flwyddyn ariannol hon.
- Y gwaith cenedlaethol sy'n cael ei wneud gan Archwilio Cymru. Mewn ymateb i'r mater hwn, nododd cynrychiolydd o Archwilio Cymru fod y flaenraglen waith, a oedd yn cynnwys y rhaglen waith genedlaethol, ar gael ar eu gwefan: <https://www.audit.wales/cy/forward-work-programme>.
- A fyddai etholiadau llywodraeth leol ym mis Mai 2027, a'r cyfnod blaenorol cyn yr etholiad, yn cael effaith ar y gwaith sy'n cael ei wneud ym Mhen-y-bont ar Ogwr. Mewn ymateb, nododd, er eu bod yn hyderus y byddent yn cyflawni eu rhaglen waith, fod yr etholiadau ar eu radar ac y byddent yn monitro sut mae'n gweithio allan yn ymarferol, yn enwedig o ran cyhoeddi adroddiadau.
- Cau cyfrifon ar gyfer Cydbwyllgor Corfforaethol De-ddwyrain Cymru. Nododd y Cadeirydd y byddent yn cau eu cyfrifon ddiwedd mis Mai, a bod hyn yn cynrychioli gwelliant enfawr ar y blynyddoedd blaenorol. Rhoddodd hyn gyfle i ymgorffori'r cyfrifon drafft yng nghyfrifon Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr.

**PENDERFYNWYD:**

Bod y Pwyllgor wedi nodi Adroddiadau'r Pwyllgor Llywodraethu ac Archwilio Cymru yn Atodiad A ac Atodiad B.

Dyddiad y Gwnaed y Penderfyniad	21 Mai 2026
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**289. Dogfen Traciwr Rheoleiddio**

Y Penderfyniad a Wnaed	<p>Diben yr adroddiad hwn oedd rhoi'r wybodaeth ddiweddaraf i'r Pwyllgor Llywodraethu ac Archwilio ar y Traciwr Rheoleiddio a ddiweddarwyd hyd at ddiwedd chwarter 4 (Ch4) 2025–26, ac argymhellion sydd wedi'u cau ers yr adroddiad diwethaf i'r Pwyllgor ym mis Hydref 2025 (chwarter 2 (Ch2) 2025–26).</p> <p>Mewn ymateb i'r adroddiad, tynnodd yr Aelodau sylw at gwpl o faterion:</p> <ul style="list-style-type: none"><li>• Ystyr a gwerth y statws Coch, Ambr, a Gwyrdd (RAG) a gymhwysir i brosiectau a mentrau yn y Traciwr Rheoleiddio. Tynnwyd sylw at y Strategaeth Ddigidol fel pryder penodol o ran y berthynas rhwng rhywbeth a oedd wedi cael statws coch neu ambr.</li><li>• A oedd sgôr ambr yn briodol ar gyfer R2: Rheoli Risg, mewn perthynas ag adroddiad Archwilio Cymru, Gwasanaeth Cynllunio a Datblygu (Tachwedd 2025). Nododd y Rheolwr Polisi a Pherfformiad Corfforaethol y byddai'n tynnu sylw at y pryder hwnnw gyda swyddogion sy'n aseinio statws RAG.</li><li>• A ellid darparu gwybodaeth ychwanegol a nodiadau esboniadol yn ôl yr angen, yn ogystal â derbyn yr adroddiadau rheolaidd gyda dyfyniadau o'r traciwr rheoleiddio llawn, lle mae argymhellion wedi parhau i fod heb eu gweithredu ers blynyddoedd lawer.</li></ul> <p><b><u>PENDERFYNWYD:</u></b></p> <p>Bod y Pwyllgor Llywodraethu ac Archwilio wedi ystyried y pwyntiau crynodeb a chynnwys <b>Atodiad 1</b> ac <b>Atodiad 2</b> a chodwyd materion o bryder i'w dilyn gan y Rheolwr Polisi a Pherfformiad Corfforaethol.</p> <p>Yn ogystal, gofynnodd y Pwyllgor i'r adroddiad diweddarau a oedd i'w ystyried yn y cyfarfod ar 16 Gorffennaf 2026 ddarparu gwybodaeth ychwanegol a nodiadau esboniadol, lle mae argymhellion wedi parhau heb eu gweithredu ers blynyddoedd lawer.</p>
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Dyddiad y Gwnaed y Penderfyniad	21 Mai 2026

**290. Pennaeth Llywodraethu Corfforaethol**

Y Penderfyniad a Wnaed	<p>Diben yr adroddiad hwn oedd cyflwyno'r Cod Llywodraethu Corfforaethol (y Cod) diweddaredig i'r Pwyllgor Llywodraethu ac Archwilio i'w ystyried a'i gymeradwyo.</p> <p>Mewn ymateb i'r adroddiad, cododd yr Aelodau gwpl o faterion:</p> <ul style="list-style-type: none"><li>• A oedd angen cynnwys manylion mentrau gyda dyddiadau penodol, o ystyried na ddylai dogfen o'r fath gael ei chyfyngu gan ddyddiad ac amser.</li><li>• Bod cynnwys drafft o'r ddogfen gyda newidiadau manwl (Atodiad A) yn arbennig o ddefnyddiol.</li><li>• Roedd cynnwys camau gweithredu a'r dystiolaeth i'w cefnogi hefyd i'w groesawu ond, wrth feddwl sut y gallai trigolion dderbyn dogfennau o'r math hwn, roedd yn bwysig meddwl am y cwestiwn 'felly beth', i gofnodi pam mae camau gweithredu a'r pethau a restrir fel dystiolaeth i gefnogi eu gweithredu yn bwysig.</li><li>• A oedd y fframwaith llywodraethu yn real ac yn gweithio'n ymarferol. Mewn ymateb, nododd y Rheolwr Grŵp – Prif Gyfrifydd fod y ddogfen yn nodi beth sydd ar waith a'r dystiolaeth i gefnogi hynny. Adolygwyd y Cyngor yn fewnol ac yn allanol a rhoddodd hyn fwy o sicrwydd. Byddai'r Datganiad Cyfrifon yn cael ei gyflwyno i'w ystyried gan yr Aelodau yng nghyfarfod mis Gorffennaf y Pwyllgor Llywodraethu ac Archwilio, ac roedd hyn yn cynnwys asesiad o lywodraethu'r Cyngor. Byddai hyn yn cynnwys rhagor o dystiolaeth i gefnogi'r trefniadau sydd ar waith.</li><li>• Pam roedd y Cyngor yn teimlo bod angen mwy o gapasiti arweinyddiaeth uwch arno. Mewn ymateb, nododd y Cadeirydd fod hwn yn fater i'w ystyried mewn man arall.</li><li>• Y dylai'r ddogfen gyfeirio at 'Aelodau', yn hytrach nag 'Aelodau Etholedig', o ystyried bod 'Aelodau Lleyg' hefyd.</li><li>• A oedd hi'n bosibl rhoi awdurdod dirprwyedig i'r Rheolwr Grŵp – Prif Gyfrifydd i wneud mân newidiadau</li></ul>
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	<p>i'r ddogfen, fel y gall esblygu fel dogfen organig, cyn ei chyflwyno'n flynyddol i'r Pwyllgor i'w chymeradwyo.</p> <p><u>PENDERFYNWYD:</u></p> <p>Bod y Pwyllgor Llywodraethu ac Archwilio wedi ystyried a chymeradwyo Cod Llywodraethu Corfforaethol diweddaredig y Cyngor yn Atodiad B, yn amodol ar yr eglurhad ynghylch diffiniad 'Aelod'.</p> <p>Argymhellodd y Pwyllgor y dylid ymgynghori â'r Swyddog Monitro ynghylch a ellid rhoi awdurdod dirprwyedig i'r Rheolwr Grŵp – Prif Gyfrifydd i wneud mân newidiadau i'r Cod Llywodraethu Corfforaethol wrth iddynt godi, ac i'r rhain gael eu hadrodd i'r Pwyllgor fel rhan o gyflwyniad blynyddol y Cod i'r Pwyllgor.</p>
Dyddiad y Gwnaed y Penderfyniad	21 Mai 2026

**291. Dull Hunanasesu ar gyfer 2025/26**

Y Penderfyniad a Wnaed	<p>Diben yr adroddiad oedd myfyrio ar hunanasesiad 2024/25 a chyflwyno amlinelliad o'r dull o ddatblygu hunanasesiad 2025/26 i'r Pwyllgor Llywodraethu ac Archwilio.</p> <p>Mewn ymateb i'r adroddiad, cododd yr Aelodau'r materion canlynol:</p> <ul style="list-style-type: none"><li>• O ystyried bod y broses hunanasesu yn cynnwys y Cyngor yn asesu ei berfformiad ei hun, a oedd mesurau diogelwch ar waith i sicrhau bod y broses yn wirioneddol wrthrychol a thryloyw i drigolion, ac yn atal adrannau rhag rhoi sgoriau rhy gadarnhaol iddynt eu hunain. Mewn ymateb, roedd y Rheolwr Polisi a Pherfformiad Corfforaethol yn gobeithio y gallai'r Aelodau fod yn sicr bod data'r cynllun corfforaethol a ddefnyddiwyd i gynhyrchu'r sgôr gychwynol yn eithaf cadarn. Cytunwyd ar y targedau gan y Cyngor llawn bob blwyddyn ar ffurf Cynllun Cyflawni'r Cynllun Corfforaethol a'u craffu bob chwarter. Caiff dyfarniadau eu cymedroli'n drwm gan Benaethiaid Gwasanaeth, gan Brif Swyddogion ac yna gan y Tîm</li></ul>
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	<p>Rheoli Corfforaethol a Chabinet (CCMT), ac yna cânt eu hystyried gan y Pwyllgor Trosolwg a Chraffu Corfforaethol (COSC) a'r Pwyllgor Llywodraethu ac Archwilio. Rhyngddynt, gobeithir y bydd hynny'n rhoi sicrwydd ei fod yn rhoi cynrychiolaeth deg o sut mae'r Cyngor yn gwneud.</p> <ul style="list-style-type: none"><li>• Gwerth asesiad gan gymheiriaid, a'r mewnwelediadau amhrisiadwy, cadarnhaol a negyddol, sy'n deillio o Asesiad y Panel Perfformiad, a gynhaliwyd ym mis Medi 2025.</li></ul> <p><b><u>PENDERFYNWYD:</u></b></p> <p>Bod y Pwyllgor Llywodraethu ac Archwilio wedi nodi'r dull arfaethedig o baratoi'r hunanasesiad blynyddol ar gyfer 2025–26.</p>
Dyddiad y Gwnaed y Penderfyniad	21 Mai 2026

**292. Siarter Gwasanaeth Archwilio Mewnol Rhanbarthol 2026–27**

Y Penderfyniad a Wnaed	<p>Diben yr adroddiad oedd cyflwyno Siarter y Gwasanaeth Archwilio Mewnol Rhanbarthol ar gyfer 2026–27 i'r Aelodau i'w ystyried a'i gymeradwyo.</p> <p>Mewn ymateb i'r adroddiad, cododd Aelod y materion canlynol:</p> <ul style="list-style-type: none"><li>• Bod y Siarter yn cyfeirio at fynediad ac annibyniaeth anghyfyngedig ar gyfer archwilio mewnol ac yn gofyn a oedd unrhyw achlysuron lle'r oedd archwilwyr yn cael anhawster i gael gwybodaeth neu gael mynediad. Mewn ymateb, nododd Dirprwy Bennaeth y Gwasanaeth Archwilio Mewnol Rhanbarthol (RIAS) fod problemau a chamddealltwriaethau weithiau, ond eu bod yn codi yn bennaf oherwydd nad oedd unigolyn yn deall yr hyn yr oedd yr archwilydd yn gofyn amdano neu nad oedd ganddynt yr awdurdod i roi mynediad. Fel arfer, byddai'r problemau hyn yn cael eu datrys yn gyflym, ac, ym mhob achos, roedd proses uwchgyfeirio gadarn ar waith os oedd angen.</li><li>• Y mesurau atebolrwydd a oedd ar waith pan fethai Adrannau dro ar ôl tro â gweithredu argymhellion</li></ul>
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	<p>archwilio. Nododd Dirprwy Bennaeth RIAS fod argymhellion yn cael eu cyflwyno i'r Pwyllgor Llywodraethu ac Archwilio yn rheolaidd a bod y Tîm Rheoli hefyd yn monitro'r argymhellion. Yn y pen draw, roedd swyddogion yn atebol i'r Prif Weithredwr ac Aelodau'r Pwyllgor Llywodraethu ac Archwilio. Ychwanegodd y Cadeirydd, os oedd unrhyw rwystrau, fod gan y Pwyllgor yr hawl i alw Cyfarwyddwr neu Bennaeth Gwasanaeth i esbonio pam nad yw rhywbeth wedi newid neu wedi'i weithredu.</p> <ul style="list-style-type: none"> <li>• Y dylid ystyried a oedd anghenion hyfforddi mewn perthynas â materion fel y broses archwilio a deddfwriaeth newydd, ar gyfer swyddogion ar draws y Cyngor ac Aelodau'r Pwyllgor.</li> <li>• A oedd RIAS ar agor i gyrff eraill y sector cyhoeddus ymuno â'r bartneriaeth. Mewn ymateb, nododd Pennaeth RIAS eu bod yn uchelgeisiol ac eisiau bod yn ddarparwr rhanbarthol o wasanaethau archwilio mewnol o fewn y sector cyhoeddus. Byddai'n croesawu unrhyw sgysiau gydag awdurdodau lleol neu sefydliadau eraill yn y sector cyhoeddus i ymuno â nhw fel rhan o wasanaeth rhanbarthol.</li> </ul> <p><b><u>PENDERFYNWYD:</u></b></p> <p>Bod y Pwyllgor Llywodraethu ac Archwilio wedi ystyried a chymeradwyo Siarter y Gwasanaeth Archwilio Mewnol Rhanbarthol ar gyfer 2026–27 fel y'i hatodir yn Atodiad A i'r adroddiad hwn.</p>
<p>Dyddiad y Gwnaed y Penderfyniad</p>	<p>21 Mai 2026</p>

**293. Hunanasesiad y Pwyllgor Llywodraethu ac Archwilio**

<p>Y Penderfyniad a Wnaed</p>	<p>Diben yr adroddiad oedd rhoi sicrwydd bod Pwyllgor Llywodraethu ac Archwilio'r Cyngor yn gallu dangos ei effeithiolrwydd yn erbyn yr egwyddorion arfer da a osodwyd gan y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA) gan ddefnyddio'r offer hunanasesu a ddarparwyd.</p> <p>Mewn ymateb i'r adroddiad, cododd yr Aelodau gwpl o faterion:</p> <ul style="list-style-type: none"> <li>• Nodwyd bod yr adroddiad yn dda ac yn deg ond tybed sut roedd yn cymharu â'r tro diwethaf iddo gael ei</li> </ul>
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	<p>gynnal. Mewn ymateb, nododd Pennaeth RIAS nad oedd adolygiad mor gynhwysfawr â hwn wedi'i gynnal o'r blaen ond ar ôl gweithio drwy'r canfyddiadau, teimlwyd bod y farn yn cyfateb i'r hyn a fyddai barn resymol, ac roedd hynny'n golygu nad oedd ymhell o fod yn un o sicrwydd sylweddol. Byddai adolygiadau cynhwysfawr pellach a byddent yn rhoi'r Pwyllgor mewn gwell sefyllfa i gymharu ei berfformiad ei hun o flwyddyn i flwyddyn.</p> <ul style="list-style-type: none"><li>• Cyfrifoldeb yr Aelodau oedd monitro a gwella eu perfformiad eu hunain fel rhan o'r Pwyllgor Llywodraethu ac Archwilio, wedi'i hwyluso gan y rhestr wirio archwilio sy'n gysylltiedig â'r broses hunanasesu.</li><li>• Mae'n debyg bod angen, cyn yr ymarfer hunanasesu nesaf, i gyflwyno gwerthusiad i'r Pwyllgor o'r hyn y mae'n ei wneud a'r graddau y mae hynny'n cyd-fynd â'r gofynion a'r disgwyliadau a nodir ar ei gyfer yn y Cyfansoddiad.</li><li>• Pwysigrwydd canolog sicrhau 'gwerth am arian' wrth ddarparu gwasanaethau fel thema ar gyfer gwaith yn y dyfodol.</li></ul> <p><b><u>PENDERFYNWYD:</u></b></p> <p>Bod yr aelodau wedi nodi canlyniad yr hunanasesiad o effeithiolrwydd y Pwyllgor Llywodraethu ac Archwilio.</p>
Dyddiad y Gwnaed y Penderfyniad	21 Mai 2026

**294. Diweddariad ar Flaenraglen Waith 2026–27**

Y Penderfyniad a Wnaed	<p>Pwrpas yr adroddiad hwn oedd ceisio cymeradwyaeth ar gyfer y Flaenraglen Waith ddiweddaredig ar gyfer 2026–27.</p> <p><b><u>PENDERFYNWYD:</u></b></p>
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	<p>Bod y Pwyllgor wedi ystyried a chymeradwyo'r Rhaglen Waith ddiweddaredig ar gyfer 2026–27, yn amodol ar y gwelliannau canlynol i'r agenda ar gyfer y cyfarfod ar 16 Gorffennaf 2026:</p> <ul style="list-style-type: none"><li>• Y dylid cyflwyno diweddariad ar y materion a amlygwyd yn y drafodaeth ar y Traciwr Rheoleiddio fel rhan o'r adroddiad hwnnw.</li><li>• Bod yr adroddiad Hunanasesiad drafft yn cael ei gyflwyno.</li></ul>
Dyddiad y Gwnaed y Penderfyniad	21 Mai 2026

**295. Eitemau Brys**

Y Penderfyniad a Wnaed	<p>Dim</p> <p>Diolchodd y Cadeirydd i'r Cynghorwyr M. Williams a C. Davies am eu cyfraniad at waith y Pwyllgor, a chroesawodd yr aelodau newydd, y Cynghorwyr A. R. Berrow a J. Llewellyn-Hopkins.</p> <p>Gofynnodd y Cadeirydd am baratoi llythyr a'i anfon at y Dirprwy Bennaeth Cyllid, yn mynegi dymuniadau gorau'r Pwyllgor am welliant buan.</p>
Dyddiad y Gwnaed y Penderfyniad	21 Mai 2026

I wyllo dadl bellach a gynhaliwyd ar yr eitemau uchod, cliciwch ar y this [ddolen](#) hon.

Daeth y cyfarfod i ben am 11:29.

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# Agenda Item 4

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>18 JUNE 2026</b>
<b>Report Title:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE ACTION RECORD</b>
<b>Report Owner: Responsible Chief Officer/ Cabinet Member</b>	<b>CHIEF OFFICER – LEGAL, REGULATORY &amp; ELECTORAL SERVICES</b>
<b>Responsible Officer:</b>	<b>STEPHEN GRIFFITHS  DEMOCRATIC SERVICES OFFICER - COMMITTEES</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework and procedure rules.</b>
<b>Executive Summary:</b>	<b>This report seeks to update Members of the Governance and Audit Committee on follow-up actions or further information requested on reports considered by Members and/or requested by Committee, including any other related information in relation to previous agenda items.</b>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to provide Members with an update on the Governance and Audit Committee Action Record.

## **2. Background**

- 2.1 An Action Record has been devised to assist the Committee in tracking the decisions made by the Committee in the exercise of its functions.

## **3. Current situation / proposal**

- 3.1 In order to assist the Governance and Audit Committee in ensuring that decisions made by the Committee are actioned and implemented, the Action Record is attached at **Appendix A**. The Action Record will be presented to each meeting of the Committee for approval.

## **4. Equality Impact Assessment (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the

review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

**5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

**6. Climate Change and Nature Implications**

6.1 There are no climate change implications arising from this report.

**7. Safeguarding and Corporate Parent Implications**

7.1 There are no safeguarding or corporate parent implications arising from this report.

**8. Financial Implications**

8.1 There are no financial implications arising from this report.

**9. Recommendation**

9.1 The Committee is recommended to note the Action Record and provide any comments, as appropriate.

**Background documents**

None.

Number	Date of Committee	Item/ Issue	Lead	Target Date	Action	Date for action to be brought to GAC.	Response
1.	21 May 26	<b>Code of Corporate Governance</b>	Corporate Director – Finance & Transformation/ Chief Officer – Legal and Regulatory Services, HR and Corporate Policy	N/A	The Committee recommended that the Monitoring Officer be consulted on whether the Group Manager – Chief Accountant could be given delegated authority to make minor changes to the Code of Corporate Governance as and when they arise, and for these to be reported to the Committee as part of the annual submission of the Code to the Committee.	TBD	<b>ACTIONED</b> – Members will receive an update in due course.
2.	21 May 26	<b>Regulatory Tracker Update</b>	Corporate Director – Finance & Transformation	16 Jul 26	The Committee requested that the update report due for consideration at the meeting on 16 July 2026 provide additional information and explanatory notes, where recommendations have remained outstanding over a number of years.	16 Jul 26	<b>ACTIONED</b> – The report will be submitted to the meeting on 16 July 2026.
3.	30 Oct 25	<b>Porthcawl Harbour</b>	Corporate Director - Communities	N/A	To submit a report that provides Members with a comprehensive overview of the governance structure, reporting lines, and finances for Porthcawl Harbour.	18 Jun 26	<b>ACTIONED</b> – The Annual report on Porthcawl Harbour was noted by Cabinet at its meeting in March 2026 and was sent to Members of the Governance and Audit Committee on 10 June 2026.

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# Agenda Item 5

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>18 JUNE 2026</b>
<b>Report Title:</b>	<b>GOING CONCERN ASSESSMENT</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member</b>	<b>CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework or procedure rules</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"><li>• <b>The Council’s auditors are required to have assurance that the Council is able to evidence that it has completed a ‘going concern’ assessment, which underpins the preparation of the annual Statement of Accounts.</b></li><li>• <b>This report confirms the assessment of the Council as a going concern as required by the Chartered Institute of Public Finance and Accountancy’s (CIPFA’s) Code of Practice on Local Authority Accounting.</b></li></ul>

## 1. Purpose of Report

- 1.1 This report informs the Committee of the Section 151 (s151) Officer’s (Corporate Director – Finance and Transformation) assessment of the Council as a ‘Going Concern’ for the purposes of producing the 2025-26 Statement of Accounts.

## 2. Background

- 2.1 The concept of a ‘going concern’ assumes that local authorities, their functions and services, will continue in operation for the foreseeable future. This assumption underpins the Statement of Accounts drawn up under the Chartered Institute of Public Finance and Accountancy’s Code of Practice on Local Authority Accounting (the Code). The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which local authorities operate. The assumption is made because local authorities provide services essential to the local community and are themselves revenue-raising bodies through council tax, fees and charges. Should the Council find itself in financial difficulty it would be anticipated that

Welsh Government would need to provide assistance and/or continuance of the Council's services.

2.2 Should the Council be deemed to not be a 'going concern' particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at the book values, and provisions might be needed for closure costs and redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements. The audit of Local Authorities is carried out under the auditing standard *ISA 315 (UK) Identifying and Assessing the Risks of Material Misstatement (Revised July 2020)*. This standard is effective for audits of accounts for periods beginning on or after 15 December 2021 and applies to the audit of all private and public sector entities across the UK. As part of the audit planning for the 2025-26 Statement of Accounts, the auditors will seek the Council's assessment of whether the Council is preparing its Statement of Accounts on a 'going concern' basis.

2.3 This report sets out the position for Bridgend County Borough Council. The Council's accounts are prepared in accordance with CIPFA's Code, which assumes the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. The main factors which underpin this are:

- The Council's current financial position
- The Council's Balance Sheet
- The Council's Cash Flow
- The Council's projected financial position
- The Council's Governance arrangements
- The External Regulatory and Control Framework.

Each of the above is considered below.

### **3. Current situation / proposal**

#### **3.1 The Council's current financial position**

3.1.1 It is expected that the Council will show an underspend for the current financial year ending 31 March 2026 in the region of £13 million. This takes account of planned draw down from revenue and capital earmarked reserves of £5.020 million during the year and a net increase to reserves of £11.29 million. Going forward the budget will continue to be monitored closely and on a regular basis.

3.1.2 As at 31 March 2026 the Council Fund was £10.286 million, an increase from the previous year balance which was £10.008 million. The Council also held other usable reserves, including earmarked reserves, capital receipts and capital grants unapplied of £113.657 million, an increase of £8.043 million from the previous year.

#### **3.2 The Council's Balance Sheet**

3.2.1 Based on the draft, unaudited 2025-26 Statement of Accounts, the Council's net assets amounted to £694.567 million as at 31 March 2026 and usable reserves totaled £123.943 million. Officers are not aware of any material liabilities or underlying

issues regarding the strength of the Council's balance sheet which present any material uncertainties regarding the Council's ability to continue as a going concern.

### **3.3 The Council's Cash Flow**

3.3.1 The Council manages its cash, investments and borrowing in line with the approved Treasury Management Strategy. As at 31 March 2026 the Council had long term borrowing commitments of £92 million and held Cash and Cash Equivalent balances of £12.211 million. These include Money Market Fund investments which are classified as Cash and Cash Equivalents rather than short term investments within the Statement of Accounts. The Council has continued to manage its borrowing and investments during 2025-26 in line with the approved Treasury Management Strategy and has adequate financial resources to meet its immediate financial obligations. Officers are satisfied that there are no significant issues regarding the strength of the Council's underlying cash flow which present any material uncertainties regarding the Council's ability to continue as a going concern.

### **3.4 The Council's projected financial position**

3.4.1 The anticipated revenue outturn position for 2025-26 is a forecast underspend of £13.381 million. This comprises a net underspend on Directorates of £6.663 million, a net underspend on Council wide budgets of £5.944 million, higher than anticipated council tax income of £0.774 million. Net transfers to Earmarked Reserves was £13.103 million with a net transfer to the Council Fund of £0.278 million.

3.4.2 Going forward the situation remains challenging with the budget for 2026-27 balanced on the basis of achieving £2.348 million of budget reductions and a council tax increase of 4.7%. Projections of funding for future years are still unknown but the situation looks extremely challenging and early and strong financial planning will be essential to setting a balanced budget. The Council currently has in place robust processes to support the budget planning process.

### **3.5 The Council's Governance Arrangements**

3.5.1 The Council has a well-established and robust corporate governance framework. The Council's Code of Corporate Governance was updated during the financial year and was presented to the Governance and Audit Committee on 21 May 2026. The governance arrangements include the statutory requirements for a Head of Paid Service, the Monitoring Officer and the Section 151 Officer. An overview and review of the governance framework is provided within the Annual Governance Statement.

3.5.2 The Head of Internal Audit's overall annual opinion due to be reported to the Governance and Audit Committee on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2025-26 is of 'Reasonable Assurance'. Based on the work undertaken by Internal and External Audit the overall opinion for risk management is one of 'Limited Assurance'. Officers are satisfied that there are no significant issues regarding the Council's governance framework which present any material uncertainties regarding the Council's ability to continue as a going concern.

### **3.6 The External Regulatory and Control Framework**

- 3.6.1 As a local authority the Council has to operate within a highly legislated and controlled environment. An example of this is the requirement to set a balanced budget each year combined with the legal requirement for the Council to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to these there are other factors, such as the role of external audit, as well as the statutory requirements in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.
- 3.6.2 The provision in the Code on the going concern requirements reflects the economic and statutory environment in which local authorities operate. The economic climate for local authorities is challenging, and the Council will have to consider how it shapes its services to meet the financial constraints moving forward. Whilst this will be challenging officers are satisfied that there are not any material uncertainties regarding the Council's ability to continue as a going concern.

### **3.7 Material Uncertainties**

- 3.7.1 The Council is required to consider any material uncertainties related to events or conditions that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern, and there are currently no concerns in this respect.

### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The following is a summary to show how the 5 ways of working to achieve the well-being goals have been used to formulate the recommendations within this report.
- **Long-term** - the confirmation of the Council as a going-concern underpins the continued provision of services in both the short-term and long-term.
  - **Prevention** – assessing the Council as a going concern supports the continued provision of services to residents and visitors to the County Borough.
  - **Integration** – the Council has a number of integrated services e.g. health and social care and as a going concern will continue to do so for the future.
  - **Collaboration** – the Council will continue to provide services to its community in a collaborative way with other organisations.

- **Involvement** – the Council has effective partnership working, involving external organisations and individuals and communicates and collaborates with them where necessary.

## **6. Climate Change and Nature Implications**

- 6.1 The assessment of the Council as a going concern will enable it to continue its progress towards decarbonisation. There are no specific impacts arising from this report.

## **7. Safeguarding and Corporate Parent Implications**

- 7.1 The assessment supports the Council's requirement of effective partnership working between all those involved in providing services for children, young people and adults at risk.

## **8. Financial Implications**

- 8.1 There are no specific financial implications arising from this report. The report confirms the assessment of the Council as a going concern.

## **9. Recommendation**

- 9.1 It is recommended that the Governance and Audit Committee note the outcome of the assessment of the Council's going concern status for the purpose of preparing the 2025-26 Statement of Accounts.

## **Background documents**

None

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<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>18 JUNE 2026</b>
<b>Report Title:</b>	<b>AUDIT WALES' 'AUDIT ENQUIRIES TO MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE' FOR THE 2025-26 AUDIT</b>
<b>Report Owner / Responsible Chief Officer / Cabinet Member</b>	<b>CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is no impact on the policy framework or procedure rules.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>Audit Wales have submitted their 'Audit enquiries to management and those charged with governance' letter to the Council for completion by 30 June 2026.</b></li> <li>• <b>The letter is for the purposes of informing Audit Wales' understanding of the governance arrangements of the Council and its business processes, and to support their audit work in providing an audit opinion on the 2025-26 financial statements.</b></li> <li>• <b>Responses have been provided to the questions raised, and the Governance and Audit Committee are asked to note the responses.</b></li> </ul>

## 1. Purpose of Report

- 1.1 This report provides the Committee with Audit Wales' 'Audit enquiries to those charged with management and governance' letter, which asks a number of questions in respect of the Council's governance arrangements for completion by 30 June 2026. The letter is attached at **Appendix A** and the Governance and Audit Committee are asked to note the responses and approve its return to Audit Wales.

## 2. Background

- 2.1 Audit Wales undertake the annual audit of the Council's Statement of Accounts. As part of the planning of the audit, the Auditor General is required to obtain reasonable assurance that the financial statements taken as a whole are free from material

misstatement, whether caused by fraud or error. Those who are responsible for the conduct of public business and for spending public money are accountable for ensuring that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. In discharging these responsibilities, public bodies and their management (both members and officers) are responsible for putting in place proper arrangements for the governance of their affairs and the stewardship of the resources at their disposal. Audit Wales' 'Audit enquiries to those charged with management and governance' letter formally seeks documented consideration and understanding on a number of governance areas that impact on their audit of the Council's financial statements.

### **3. Current situation / proposal**

3.1 Appendices 1 to 3 of the letter set out a number of questions to management and those charged with governance. Responses have been provided to each of the questions, as set out in **Appendix A**. Audit Wales have requested that the completed responses be returned to them by 30 June 2026. The Governance and Audit Committee is asked to consider and approve the responses.

### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

### **6. Climate Change and Nature Implications**

6.1 There are no climate change or nature implications as a result of this report.

### **7. Safeguarding and Corporate Parent Implications**

7.1 There are no Safeguarding or Corporate Parent implications as a result of this report.

### **8. Financial Implications**

8.1 There are no financial implications arising from this report.

## **9. Recommendations**

9.1 It is recommended that the Governance and Audit Committee:

- notes the responses to Audit Wales' 'Audit enquiries to those charged with management and governance' letter as attached at **Appendix A**;
- notes that the responses to Audit Wales' enquiries letter will be subject to the final review and approval of the Section 151 Officer and Monitoring Officer and may be subject to revision prior to submission.

### **Background documents**

None

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1 Cwr y Ddinas / 1 Capital Quarter

Caerdydd / Cardiff

CF10 4BZ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

Carys Lord  
Corporate Director – Finance and Transformation  
Bridgend County Borough Council  
**Date issued:** 24 March 2026 by email

Dear Carys

## **Audit enquiries to management and those charged with governance**

The Auditor General's [Statement of Responsibilities](#) sets out that he is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It also sets out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on our audit of your financial statements. These considerations are relevant to both the management of the Council and 'those charged with governance'.

I have set out below the areas of governance on which I am seeking your views:

1. Matters in relation to fraud
2. Matters in relation to laws and regulations
3. Matters in relation to related parties

The information you provide will inform our understanding of the Council and its business processes and support our work in providing an audit opinion on your 2025-26 financial statements.

I would be grateful if you could update the attached tables in [Appendices 1 to 3](#) for 2025-26.

The completed [Appendices 1 to 3](#) should be formally considered and communicated to us on behalf of both management and those charged with governance by 30 June 2026. In the meantime, if you have queries, please contact me on 02920 829326 or [David.Williams@audit.wales](mailto:David.Williams@audit.wales).

Yours sincerely

A handwritten signature in black ink, appearing to read "D Williams", with a horizontal line extending from the end of the signature.

David Williams - Audit Manager

## Appendix 1

### Matters in relation to fraud

International Standard for Auditing (UK) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements. This standard has been revised for 2025-26 audits.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance', which for the Council is the **Audit Committee**. Management, with the oversight of those charged with governance, should ensure there is a strong emphasis on fraud prevention and deterrence and create a culture of honest and ethical behaviour, reinforced by active oversight by those charged with governance.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- The intentional misappropriation of assets (cash, property, etc); or
- The intentional manipulation or misstatement of the financial statements.

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud, management's process for identifying and responding to the risks and the internal controls established to mitigate them.

<b>Enquiries of management – general</b>		
<b>Question</b>	<b>2024-25 Response</b>	<b>2025-26 Response</b>
1. Has the management team carried out an assessment of the going concern basis for preparing the financial statements? What was the outcome of that assessment?	An assessment of the Council’s position will be reported to the Governance and Audit Committee on 19 June 2025 which confirms that the accounts will be prepared on the basis of a going concern in line with para 3.4.2.23 of the CIPFA Code of Practice on Local Authority Accounting.	An assessment of the Council’s position will be reported to the Governance and Audit Committee on 18 June 2026 which confirms that the accounts will be prepared on the basis of a going concern in line with para 3.4.2.23 of the CIPFA Code of Practice on Local Authority Accounting.
2. Do you have knowledge of events or conditions beyond the period of the going concern assessment that may cast significant doubt on the entity's ability to continue as a going concern?	No events or conditions that would affect the going concern.	No events or conditions that would affect the going concern.
3. What are your views on the entity's control environment? How would you assess the process for reviewing the effectiveness of internal control?	The Council has in place robust internal control processes. The Head of Internal Audit’s opinion of the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2024-25 is one of Reasonable Assurance and will be reported to Governance and Audit Committee on 19 June 2025.	The Council has in place robust internal control processes. The Head of Internal Audit’s overall opinion of the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2025-26 is one of Reasonable Assurance.  Based on the work undertaken by Internal and External Audit the overall opinion for risk management is one of Limited Assurance.

		The opinion will be reported to Governance and Audit Committee on 18 June 2026.
4. If internal control deficiencies were reported in the prior year, please comment on the status of these.	Audit Wales' audit letter identified one recommendation following the completion of the 2023-24 Statement of Accounts audit. This was to consider fully utilising the Council's Asset Management System (CIPFA Fixed Asset Register) rather than the current spreadsheets for valuations. It has not been possible to implement this for 2024-25 but the Council is considering a specific asset management system for the future.	Audit Wales' audit letter regarding the 2024-25 accounts did not identify any significant issues and no recommendations. A new asset management system has been procured and is in the process of implementation. Once the system has been implemented to replace existing systems consideration will be made to considering a suitable asset management valuation system.
5. What procedures are in place to ensure the compliance and completeness of Governance reports?	The Annual Governance Statement (AGS) is reviewed by senior officers and agreed by the Cabinet and Corporate Management Board (CMB). The Leader and Chief Executive evidence their agreement via signing of the AGS. It is reviewed at the half year point and both the AGS and the review are presented to the Governance and Audit Committee. The Council has introduced a regulatory tracker to the Governance and Audit Committee to ensure all governance issues raised by external assessors are reported to the Committee and actions are therefore followed up. The regulatory tracker is reported to Corporate	The Annual Governance Statement (AGS) is reviewed by senior officers and agreed by the Cabinet and Corporate Management Team (CMT). The Leader and Chief Executive evidence their agreement via signing of the AGS. It is reviewed at the half year point and both the AGS and the review are presented to the Governance and Audit Committee. The Council has introduced a regulatory tracker to the Governance and Audit Committee to ensure all governance issues raised by external assessors are reported to the Committee and actions are therefore followed up. The regulatory tracker is reported to Corporate Overview and Scrutiny Committee (COSC) twice yearly following its consideration at Governance and Audit Committee. Any new inspection reports received by Governance and Audit Committee are

	<p>Overview and Scrutiny Committee (COSC) twice yearly following its consideration at Governance and Audit Committee. Any new inspection reports received by Governance and Audit Committee are sent for information to the appropriate Scrutiny Committee as a link in their Forward Work Programme. Members of that Committee can then determine if they want to consider the report in detail, which could be accompanied by any comments and referrals from the Governance and Audit Committee.</p> <p>The Council's Code of Corporate Governance was last updated in spring 2025 and approved by the Governance and Audit Committee in April 2025.</p>	<p>sent for information to the appropriate Scrutiny Committee as a link in their Forward Work Programme. Members of that Committee can then determine if they want to consider the report in detail, which could be accompanied by any comments and referrals from the Governance and Audit Committee.</p> <p>The Council's Code of Corporate Governance was updated in spring 2026 and approved by the Governance and Audit Committee in May 2026.</p>
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<b>Enquiries of management – in relation to fraud</b>		
<b>Question</b>	<b>2024-25 Response</b>	<b>2025-26 Response</b>
<p>1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud? What is the nature, extent and frequency of management's assessment?</p>	<p>Low risk/probability.</p> <p>Both internal and external audit work has provided assurance that there is unlikely to be any material misstatements of the accounts as a result of fraud.</p> <p>Budget monitoring reports are produced regularly throughout the year involving service accountants, finance managers and service staff, and reported</p>	<p>Low risk/probability.</p> <p>Both internal and external audit work has provided assurance that there is unlikely to be any material misstatements of the accounts as a result of fraud.</p> <p>Budget monitoring reports are produced regularly throughout the year involving service accountants, finance managers and service staff, and reported</p>

	<p>regularly to Council, Cabinet and CMB. These are then subject to intense scrutiny by the Council’s Corporate Overview and Scrutiny Committee.</p> <p>Processes are in place for the preparation of the Statement of Accounts which are reviewed at both Chief Accountant and Section 151 Officer level, prior to scrutiny at the Governance and Audit Committee.</p> <p>Internal audit provides a review of, and assurance on, the Council’s systems and processes, including the main accounting and budgetary control systems as part of their annual internal audit plan.</p>	<p>regularly to Council, Cabinet and CMT. These are then subject to intense scrutiny by the Council’s Corporate Overview and Scrutiny Committee.</p> <p>Processes are in place for the preparation of the Statement of Accounts which are reviewed at both Chief Accountant and Section 151 Officer level, prior to scrutiny at the Governance and Audit Committee.</p> <p>Internal audit provides a review of, and assurance on, the Council’s systems and processes, including the main accounting and budgetary control systems as part of their annual internal audit plan.</p>
<p>2. Do you have knowledge of any actual, suspected or alleged fraud affecting the audited body?</p>	<p>The Council ordered a shipping container which did not arrive and paid 50% upfront (£3,658). This has been identified as a fraud and a request for the final 50% payment was rejected. Financial regulations require that payments in advance should not be made without Section 151 Officer approval.</p>	<p>The fraud in 2024-25 was looked into and Governance and Audit Committee members have been notified of the outcome of that work.</p> <p>In January 2026 a payment of £967.20 was made by a Comprehensive school to a supplier previously used, however bank details were changed on the face of the invoice. Attempts were made to recover the monies however they were not recoverable.</p> <p>Schools will be reminded of the processes to follow in relation to payments to minimize the risk of any attempted or actual fraud.</p>

		<p>Attempts have been made to pay Council Tax via fraudulent cheques, however these were identified and there has been no financial loss to the Council.</p>
<p>3. What is management's process for identifying and responding to the risks of fraud in the audited body, including any specific risks of fraud that management has identified or that have been brought to its attention?</p>	<p>The Council has in place an Anti-Fraud and Bribery Policy, Fraud Strategy and Framework, and an Anti-Tax Evasion Policy. The Anti-Tax Evasion Policy has been updated and reviewed during Spring 2025 by the Governance and Audit Committee and will be presented to Cabinet for approval in June 2025.</p> <p>The Anti-Fraud and Bribery Strategy and Anti Money-Laundering Policy will be updated and presented to Cabinet in June 2025.</p> <p>The Council has clear codes of conduct for both members and officers as set out in the Council's Constitution. Processes employed are:</p> <ul style="list-style-type: none"> <li>• Specific controls in place relevant to applicable processes</li> <li>• Focused use of Internal Audit, with management follow-up actions also scrutinised by the Governance and Audit Committee.</li> <li>• Contingency provision within Internal Audit Plan set aside for work as it arises. The Governance and Audit Committee receive reports on days used.</li> <li>• Generally, it is not possible for an individual officer to act alone.</li> </ul> <p>Where any fraud is suspected or reported it is investigated by Internal Audit and the Council's Senior Fraud Investigator in conjunction with</p>	<p>The Council has in place an Anti-Fraud and Bribery Policy, Fraud Strategy and Framework, and an Anti-Tax Evasion Policy. The Anti-Tax Evasion Policy was been updated and reviewed during Spring 2025 by the Governance and Audit Committee and approved by Cabinet in June 2025.</p> <p>The Fraud Strategy was presented to and approved by Cabinet in June 2025 and the Anti-Fraud, Bribery and Corruption Policy approved by Cabinet in July 2025.</p> <p>The Anti Money-Laundering Policy was approved by Cabinet in September 2025.</p> <p>The Council has clear codes of conduct for both members and officers as set out in the Council's Constitution. Processes employed are:</p> <ul style="list-style-type: none"> <li>• Specific controls in place relevant to applicable processes</li> <li>• Focused use of Internal Audit, with management follow-up actions also scrutinised by the Governance and Audit Committee.</li> <li>• Contingency provision within Internal Audit Plan set aside for work as it arises. The Governance and Audit Committee receive reports on days used.</li> <li>• Generally, it is not possible for an individual officer to act alone.</li> </ul>

	<p>senior management and HR, where deemed appropriate/necessary.</p> <p>All staff have access to the Fraud Prevention E-Learning Module.</p>	<p>Where any fraud is suspected or reported it is investigated by Internal Audit and the Council's Senior Fraud Investigator in conjunction with senior management and HR, where deemed appropriate/necessary.</p> <p>All staff have access to the Fraud Prevention E-Learning Module.</p> <p>During the year a staff message was issued via email reminding them of the risk associated with making payments in advance and that the financial regulations require any payment in advance to be authorised by the S151 Officer in consultation with a Cabinet Member.</p>
4. What classes of transactions, account balances and disclosures have you identified as most at risk of fraud?	Areas at most risk would be purchasing cards, council tax support and Blue badges	Areas at most risk would be purchasing cards, council tax support and Blue badges
5. Are you aware of any whistleblowing or complaints by potential whistle blowers? If so, what has been the audited body's response?	Whistleblowing referrals have been dealt with in accordance with the Whistleblowing Policy. Referrals have alleged fraudulent activity, and these have been investigated by the relevant service area. Internal audit will be undertaking an audit of these services during the 2025-26 audit programme.	Whistleblowing referrals are dealt with in accordance with the Whistleblowing Policy.
6. What is management's communication, if any, to those charged with governance regarding their processes for identifying and responding to risks of fraud?	Council Policies and procedures such as Anti-Fraud and Bribery Policy, Money Laundering Policy, Anti-Tax Evasion Policy, Fraud Strategy and Framework and more generally a culture of openness and probity. In addition, reports to the Governance and Audit Committee on Internal Audit work	Council Policies and procedures such as Anti-Fraud and Bribery Policy, Money Laundering Policy, Anti-Tax Evasion Policy, Fraud Strategy and Framework and more generally a culture of openness and probity. In addition, reports to the Governance and Audit Committee on Internal Audit work

	<p>undertaken including, if appropriate, discussion around areas of weakness and where fraud has been perpetrated and planned action/responses. Internal Audit Plan in place and updates taken to each Governance and Audit Committee. Regular updates and discussion on Corporate Risk Register at the Governance and Audit Committee and a Governance and Audit Committee Forward Work Programme in place.</p> <p>A Fraud Risk Register is maintained so that any risks can be monitored by CMB on a quarterly basis and any significant risks that may be identified would be fed into the corporate risk assessment and scored accordingly.</p> <p>A Corporate Fraud Report is presented to the Governance and Audit Committee on an annual basis to update them on any fraud risks identified throughout the year and the activities conducted by the fraud team.</p>	<p>undertaken including, if appropriate, discussion around areas of weakness and where fraud has been perpetrated and planned action/responses. Internal Audit Plan in place and updates taken to each Governance and Audit Committee. Regular updates and discussion on Corporate Risk Register at the Governance and Audit Committee and a Governance and Audit Committee Forward Work Programme in place.</p> <p>A Fraud Risk Register is maintained so that any risks can be monitored by CMT on a quarterly basis and any significant risks that may be identified would be fed into the corporate risk assessment and scored accordingly.</p> <p>A Corporate Fraud Report is presented to the Governance and Audit Committee on an annual basis to update them on any fraud risks identified throughout the year and the activities conducted by the fraud team.</p>
7. What is management's communication, if any, to employees regarding their views on business practices and ethical behaviour?	The Officer's Code of Conduct for employees can be found in the Constitution and outlines the highest standards of conduct expected. This will be communicated to staff as part of the mandatory corporate induction process.	The Officer's Code of Conduct for employees can be found in the Constitution and outlines the highest standards of conduct expected. This will be communicated to staff as part of the mandatory corporate induction process.
8. For service organisations, have you reported any fraud to the user entity?	N/A	N/A

<b>Enquiries of those charged with governance – in relation to fraud</b>		
<b>Question</b>	<b>2024-25 Response</b>	<b>2025-26 Response</b>
1. Do you have any knowledge of actual, suspected or alleged fraud affecting the audited body?	See response below	See response above
2. What is your assessment of the risk of fraud within the audited body, including those risks that are specific to the audited body's business sector?	The council has in place processes and policies to minimise the risk of fraud. It is considered that the Council is a potential target for fraud, but that the controls in place	The council has in place processes and policies to minimise the risk of fraud. It is considered that the Council is a potential target for fraud, but that the controls in place

	reduce the likelihood of fraud taking place and considers the risk to be low.	reduce the likelihood of fraud taking place and considers the risk to be low.
3. How do you exercise oversight of: <ul style="list-style-type: none"> <li>management's processes for identifying and responding to the risk of fraud in the audited body, and</li> <li>the controls that management has established to mitigate these risks?</li> </ul>	Through the National Fraud Initiative process. Internal Audit reports to the Governance and Audit Committee on any matters in relation to fraud. Governance is much wider than the Governance and Audit Committee, as encapsulated in the Annual Governance Statement, which also sets out responsibilities and its review of the effectiveness of its governance arrangements and the system of internal control.	Through the National Fraud Initiative process. Internal Audit reports to the Governance and Audit Committee on any matters in relation to fraud. Governance is much wider than the Governance and Audit Committee, as encapsulated in the Annual Governance Statement, which also sets out responsibilities and its review of the effectiveness of its governance arrangements and the system of internal control.

## Appendix 2

### Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, is responsible for ensuring that the Council's operations are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and

regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

### What are we required to do?

As part of our risk assessment procedures we are required to make enquiries of management and those charged with governance as to whether the Council is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Enquiries of management – in relation to laws and regulations		
Question	2024-25 Response	2025-26 Response
1. Is the audited body in compliance with relevant laws and regulations? How have you gained assurance that all relevant laws and regulations have been complied with? Are there any policies or procedures in place?	<p>The Council is not aware of any non-compliance.</p> <p>The Council follows all CIPFA guidance and stays up to date with technical bulletins, Codes of</p>	<p>The Council is not aware of any non-compliance.</p> <p>The Council follows all CIPFA guidance and stays up to date with technical bulletins, Codes of</p>

	<p>Practice and through informal officer networks including Society of Welsh Treasurers, Chief Accountants' forum and CIPFA training courses and seminars. The Council also responds as appropriate to proposed changes to the Codes of Practice so having early sight of potential changes.</p> <p>The Monitoring Officer's role includes reporting on any matters that she/he believes are, or likely to be, illegal or amount to maladministration. To this end the monitoring officer will provide reports to Cabinet / Council / Governance and Audit Committee but also make referrals to the police or ombudsman where appropriate.</p>	<p>Practice and through informal officer networks including Society of Welsh Treasurers, Chief Accountants' forum and CIPFA training courses and seminars. The Council also responds as appropriate to proposed changes to the Codes of Practice so having early sight of potential changes.</p> <p>The Monitoring Officer's role includes reporting on any matters that she/he believes are, or likely to be, illegal or amount to maladministration. To this end the monitoring officer will provide reports to Cabinet / Council / Governance and Audit Committee but also make referrals to the police or ombudsman where appropriate.</p>
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations in the financial year, or earlier with an ongoing impact on this year's audited financial statements?	The Council is not aware of any non-compliance.	The Council is not aware of any non-compliance.
3. Are there any potential litigations or claims that would affect the financial statements?	There are no material claims that would affect the statement of accounts.	There are no material claims that would affect the statement of accounts.
4. Have there been any reports from other regulatory bodies, such as HM Revenues and Customs which indicate non-compliance?	None	None
5. Are you aware of any non-compliance with laws and regulations within service organisation since 1 April of the financial year?	N/A	N/A

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Enquiries of those charged with governance – in relation to laws and regulation		
Question	2024-25 Response	2025-26 Response
1. Are you aware of any non-compliance with laws and regulations that may be expected to have a fundamental effect on the operations of the entity?	No	No
2. How does the audit committee, in your role as those charged with governance, obtain assurance that all relevant laws and regulations have been	Through the internal audit process and reliance on Audit Wales' reports to the Governance and Audit Committee.	Through the internal audit process and reliance on Audit Wales' reports to the Governance and Audit Committee.

<p>complied with?</p>	<p>In discharging its responsibilities, the Committee expects that all communication with management and officers of the Authority, as well as any external assurance providers, will be direct, open and complete.</p> <p>The Council has in place Overview and Scrutiny Committees to act as a ‘critical friend’ to check and challenge decisions in a robust, constructive and purposeful way. The Governance and Audit Committee also constructively challenges decisions taken and ensures that appropriate policies and systems are in place.</p> <p>The Annual Governance Statement provides assurance to the Council in respect of the effectiveness of its governance arrangements and reviews by Audit Wales provide further assurance in areas reviewed.</p> <p>The External Auditor also provides important information and direction to the Committee when it is fulfilling its obligations.</p>	<p>In discharging its responsibilities, the Committee expects that all communication with management and officers of the Authority, as well as any external assurance providers, will be direct, open and complete.</p> <p>The Council has in place Overview and Scrutiny Committees to act as a ‘critical friend’ to check and challenge decisions in a robust, constructive and purposeful way. The Governance and Audit Committee also constructively challenges decisions taken and ensures that appropriate policies and systems are in place.</p> <p>The Annual Governance Statement provides assurance to the Council in respect of the effectiveness of its governance arrangements and reviews by Audit Wales provide further assurance in areas reviewed.</p> <p>The External Auditor also provides important information and direction to the Committee when it is fulfilling its obligations.</p>
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## Appendix 3

### Matters in relation to related parties

International Standard for Auditing (UK) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

#### What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Enquiries of management – in relation to related parties		
Question	2025-26 Response	2024-25 Response
1. Have there been any changes to related parties from the prior year? If so, what is the identity of the related parties and the nature of those relationships? Confirm these have been disclosed to the auditor.	<p>Related Party Disclosure process in place in relation to Members and Senior Officers where letters and forms for completion are sent out as part of year end process. This was also reported to Council in March 2025, and follow-up processes are in place for any delayed returns. These are collated and assessed and any material transactions are disclosed in the Statement of Accounts.</p> <p>Members are required to declare interests in a register which is accessible via the Council's website. Auditors are given access to all returns and working papers in relation to Related Party Transactions, and Audit Wales will review and challenge officers as appropriate.</p>	<p>Related Party Disclosure process in place in relation to Members and Senior Officers where letters and forms for completion are sent out as part of year end process. This was also reported to Council in March 2026, and follow-up processes are in place for any delayed returns. These are collated and assessed and any material transactions are disclosed in the Statement of Accounts.</p> <p>Members are required to declare interests in a register which is accessible via the Council's website. Auditors are given access to all returns and working papers in relation to Related Party Transactions, and Audit Wales will review and challenge officers as appropriate.</p>
2. What transactions have been entered into with related parties during the period? What is the purpose of these transactions? Confirm these have been disclosed to the auditor.	These will be identified and disclosed to the auditor as part of the Statement of Accounts audit.	These will be identified and disclosed to the auditor as part of the Statement of Accounts audit.
3. What controls are in place to identify, account for and disclose related party transactions and relationships?	See above	See above

<p>4. What controls are in place to authorise and approve significant transactions and arrangements:</p> <ul style="list-style-type: none"><li>• with related parties, and</li><li>• outside the normal course of business?</li></ul>	<p>The Council has in place authorisation processes for any payments made to third parties. Members and senior officers are required to sign declarations of any related party transactions.</p>	<p>The Council has in place authorisation processes for any payments made to third parties. Members and senior officers are required to sign declarations of any related party transactions.</p>
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**Enquiries of those charged with governance – in relation to related parties**

Question	2024-25 Response	2025-26 Response
1. How does the Audit Committee in its role as those charged with governance exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	<p>See process above. All Members and lay members have to comply with the Code of Conduct and any declarations included therein. Members and Senior Officers are required to complete and return declarations regarding any related party transactions. As part of the Statement of Accounts approval process members of the Governance and Audit Committee have a scrutiny function over the Statements and are able to question officers at the Governance and Audit Committee as to any element of the Accounts, including Related Party Disclosures. All transactions incurred must follow appropriate Council processes such as procurement processes.</p>	<p>See process above. All Members and lay members have to comply with the Code of Conduct and any declarations included therein. Members and Senior Officers are required to complete and return declarations regarding any related party transactions. As part of the Statement of Accounts approval process members of the Governance and Audit Committee have a scrutiny function over the Statements and are able to question officers at the Governance and Audit Committee as to any element of the Accounts, including Related Party Disclosures. All transactions incurred must follow appropriate Council processes such as procurement processes.</p>

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>18 JUNE 2026</b>
<b>Report Title:</b>	<b>ANNUAL INTERNAL AUDIT REPORT 2025-26</b>
<b>Report Owner / Corporate Director:</b>	<b>HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	The proposals in this report are in accordance with the policy framework and budget.
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• This report provides the Head of Internal Audit’s Annual Opinion on the Council’s control environment in relation to governance, risk management and internal control. It also informs the Governance and Audit Committee of the work and performance of Internal Audit for the 2025-26 financial year. This information is provided to comply with the Global Internal Audit Standards.</li> <li>• Appendix A contains the Annual Internal Audit Report 2025-26 which details Internal Audit’s performance, opinions and recommendations made during the year which assist in forming the Head of Internal Audit’s Annual Opinion on the Council’s overall control environment.</li> <li>• From the work undertaken during 2025-26 and considering other sources of assurance, the Head of Internal Audit’s annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2025-26 is of <i>Reasonable Assurance</i>.</li> <li>• However, the overall opinion for the risk management element was <i>Limited Assurance</i> due to the findings identified in both the internal audit report and the external audit report.</li> <li>• Those audits that provided an audit opinion during 2025-26 are listed in Annex 1, the detailed position against the audit plan is at Annex 2, and Annex 3 is the recommendation monitoring position statement.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>95% of assurance opinions issued were <i>Substantial or Reasonable</i>.</b></li> <li>• <b>92% of the plan was achieved against a target of 80%</b></li> <li>• <b>The Internal Audit team achieved an overall satisfaction rate of 95% from the questionnaires returned from auditees following completion of an audit. The questionnaire is at Annex 4.</b></li> <li>• <b>The Internal Audit service was fully compliant with the Global Internal Audit Standards.</b></li> </ul>
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## 1. Purpose of Report

- 1.1 The purpose of this report is to provide the Governance and Audit Committee with the Head of Internal Audit's Annual Opinion on the Council's control environment in relation to governance, risk management and internal control and to inform the Committee of the work and performance of Internal Audit for the 2025-26 financial year.

## 2. Background

- 2.1 The Global Internal Audit Standards require the Head of Internal Audit to provide an Annual Report to support the Annual Governance Statement. The report should:
- Include an opinion on the adequacy and effectiveness of the Council's framework governance, risk management and internal control;
  - Present a summary of the audit work undertaken;
  - Draw attention to any issues that may impact on the level of assurance provided;
  - Provide a summary of the performance for the service;
  - Comment on conformance with the Global Internal Audit Standards.
- 2.2 In accordance with the Global Internal Audit Standards, the Head of Internal Audit is responsible for developing a risk-based annual audit plan which takes into account the Council's risk management framework. Within the Standards there is also a requirement for the Head of Internal Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, controls and resources. The Head of Internal Audit must also ensure that Internal Audit resources are appropriate, sufficient and effectively deployed to achieve the approved plan.
- 2.3 The Internal Audit Plan for 2025-26 was submitted to the Governance and Audit Committee for consideration and approval on 19<sup>th</sup> June 2025. The approved plan was flexible to be able to respond to changing circumstances and events that may occur during the year. The assurance gained from the audit work undertaken during the year assists the Head of Internal Audit in providing an overall annual opinion.
- 2.4 There were no significant changes to the agreed plan.

### 3. Current situation / proposal

- 3.1 The Annual Internal Audit Report is presented at **Appendix A** which summarises the reviews undertaken during 2025-26, the recommendations made and any control issues identified. A total of 42 reviews were completed with an audit opinion and a total of 200 recommendations made (9 High, 106 Medium, 85 Low). A breakdown is included at **Annex 1 of Appendix A**. The annual report also discusses the performance of the internal audit service during the year and highlights individual staff development and training that has taken place.
- 3.2 Progress against the 2025-26 Risk Based Plan is attached at **Annex 2**. This details the status of each planned review. A summary is in Table 1.

**Table 1 - Status of Planned Audits 2025/26**

Status of Audits Assignments	Number	Percentage Completed (%)
Complete with audit opinion	41	87%
Draft with audit opinion	1	2%
Audit in progress and carried forward	2	-
Audit not started; considered for 2026/27 Plan	3	-
<b>Sub Total</b>	<b>47</b>	<b>89%</b>
Complete with no audit opinion	12	
<b>Total</b>	<b>59</b>	<b>92%</b>

- 3.3 Table 1 shows 92% of the 2025/26 Internal Audit Plan was achieved against a target of 80%.
- 3.4 Table 1 also illustrates the status of the 59 audit assignments included in the audit plan. 12 audit reviews listed have no audit opinion, these are routine internal audit work, for example advice and guidance, external audit liaison, fraud and irregularity work, audit planning and recommendation monitoring.
- 3.5 Of the remaining 47 audit assignments, 42 were concluded during 2025/26 with an audit opinion. 3 audits were not started during the year and have been included in the 2026/27 audit plan and 2 audits were ongoing and have been carried forward.
- 3.6 Based on the testing of the effectiveness of the internal control environment, an audit opinion of *Substantial Assurance* has been given to 14 audit reviews (33%) and an opinion of *Reasonable* to 26 audit reviews (62%). The remaining 2 audit reviews (5%) have been given an audit opinion of *Limited Assurance*, that is only limited assurance can be placed on the current systems of internal control. There were no 'No Assurance' opinions. Table 2 below illustrates the number of opinion / assurance audits issued in previous years.

**Table 2 – Number of Audit Opinion Reviews Completed**

Opinion	2023/24		2024/25		2025/26	
	Total	%	Total	%	Total	%
Substantial	10	24%	10	23%	14	33%

Reasonable	25	61%	29	68%	26	62%
Limited	6	15%	4	9%	2	5%
No Assurance	0	0	0	0	0	0%
<b>Total</b>	<b>41</b>	<b>100%</b>	<b>43</b>	<b>100%</b>	<b>42</b>	<b>100%</b>

- 3.7 Recommendations have been made for improvements and a follow up audit for *Limited Assurance* opinions will be undertaken to ensure controls have been improved to mitigate the risks identified. To ensure that appropriate action is taken on agreed management action plans, all high and medium priority recommendations are routinely followed up to assess the implementation progress. **Annex 3** provides a summary of the status of all high and medium priority audit recommendations made.
- 3.8 95% of client satisfaction questionnaires were returned following the finalisation of the audit reports which contained positive comments about the process; the Internal Audit team achieved an overall satisfaction rate of 95%.
- 3.9 Taking into account the results of the internal audit reviews completed during 2025-26, the recommendations made and considering other sources of assurance, such as Head Teacher and Chair of Governor Assurance Statements, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control for 2025-26 is of:

**“Reasonable Assurance.”**

No significant cross-cutting control issues have been identified that would impact on the Council's overall control environment and the weaknesses identified are service specific.

- 3.10 In providing this annual audit opinion, it should be noted that assurance can never be absolute. The most that internal audit can provide is a reasonable assurance that there are no major weaknesses in governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work in the 2025-26 financial year and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.
- 3.11 A specific audit of Corporate Risk Management resulted in a *Limited Assurance* audit opinion. In addition, Audit Wales also identified areas for improvement during their review. Senior Managers have given assurance that action will be taken to address the issues identified.
- 3.12 The Head of Internal Audit's Annual Report 2025-26 has been prepared in accordance with the Global Internal Audit Standards which replaced the Public Sector Internal Audit Standards from April 2025. The Internal Audit team complies with a combination of the Global Internal Audit Standards (GIAS) and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Application Note, Global Internal Audit Standards in the UK Public Sector.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

#### **6. Climate Change and Nature Implications**

- 6.1 There are no climate change or nature implications arising from this report.

#### **7. Safeguarding and Corporate Parent Implications**

- 7.1 There are no safeguarding or corporate parent implications arising from this report.

#### **8. Financial Implications**

- 8.1 There are no direct financial implications arising from this report, however effective audit planning and monitoring are key contributors in ensuring that the Council's assets and interests are properly accounted for and safeguarded.

#### **9. Recommendation**

- 9.1 The Governance and Audit Committee is requested to consider and note the Annual Internal Audit Report for the 2025-26 financial year including the Head of Internal Audit's Annual Opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and internal control.

#### **Background documents**

None

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# ANNUAL INTERNAL AUDIT REPORT

## 2025-26

**Andrew Wathan, CPFA**

**Head of Regional Internal Audit Service  
May 2026**

<p><b>REGIONAL INTERNAL AUDIT SERVICE / GWASANAETH ARCHWILIO MEWNOL RHANBARTHOL</b></p>			
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## Annual Internal Audit Report 2025/26

**Section 1 – Introduction**

- 1.1 In accordance with the Global Internal Audit Standards, this is the Head of Audit's annual internal audit opinion and report based on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This can be used to inform the Bridgend County Borough Council's Annual Governance Statement.
- 1.2 The 2025/26 Internal Audit Plan outlined the assignments to be carried out to enable the Head of Internal Audit to form an annual opinion of the Council's overall control environment including, governance, risk management and internal control.
- 1.3 The plan was flexible to respond to changing circumstances and events that may have occurred during the year such as pressures on services, the ability to access staff and evidence or requests to respond to new issues that may have emerged. There were no significant deviations from the original Internal Audit 2025/26 Plan agreed by the Governance and Audit Committee in June 2025.
- 1.4 The Internal Audit Service is delivered through a shared service that came into existence on 1st April 2019. The service is hosted by the Vale of Glamorgan Council and currently provides internal audit services to Bridgend, Merthyr Tydfil and the Vale Unitary Councils. The arrangement is underpinned by a detailed legal agreement between the Councils which sets out a range of obligations (the core service is the same for each Council but there are differences in what is provided outside of the core service). At the five-year anniversary, April 2024, three of the four original partners renewed the partnership agreement.
- 1.5 The service reports to the three Governance & Audit Committees and is overseen at a strategic level by the Board which consists of the Chief Finance Officers of the three Councils.
- 1.6 During the year auditors have had the flexibility to work from home or the office and have undertaken site visits as appropriate for each audit.

**Section 2 – Summary of Reviews Undertaken 2025/26**

- 2.1 On completion of the audit reviews an audit opinion is formed providing assurance for management and those charged with governance on how well the internal controls and governance arrangements of the system, establishment or area of review are operating.

## Annual Internal Audit Report 2025/26

- 2.2 Based upon the findings and recommendations made, an overall conclusion as to the level of assurance that can be provided is given as follows:

Table 1 - Audit Assurance Category Code	
<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

**Table 2 – Audit Opinion Given to Completed Audit Reviews 2025/26**

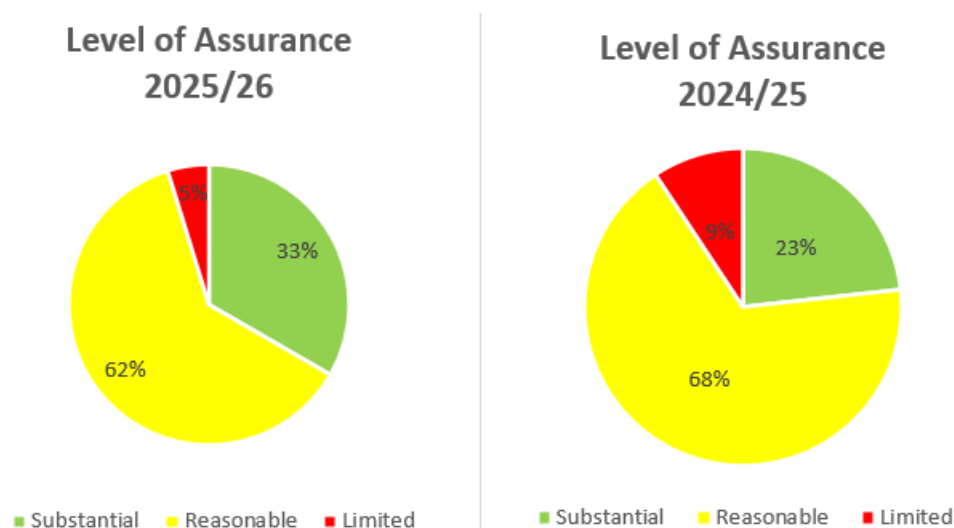
Opinion	Follow Ups	Financial & ICT Systems	Other Audit Reviews	Schools	Grant Verification	Total	%
Substantial	-	5	6	1	2	14	33%
Reasonable	5	2	10	8	1	26	62%
Limited	-	-	1	1	-	2	5%
No Assurance	-	-	-	-	-	0	0%
<b>Total</b>	<b>5</b>	<b>7</b>	<b>17</b>	<b>10</b>	<b>3</b>	<b>42</b>	<b>100%</b>

- 2.3 Table 2 illustrates that a total of 42 reviews were given an audit opinion and 95% of these audit opinions are *Substantial* or *Reasonable Assurance*, a positive outcome. A list of these audits is at **Annex 1**. A comparison of opinions issued in the previous year is shown at Table 3 and Figure 1 below:

## Annual Internal Audit Report 2025/26

**Table 3: Comparison of Audit Opinions**

Opinion	2023/24		2024/25		2025/26	
	Total	%	Total	%	Total	%
Substantial	10	24%	10	23%	14	33%
Reasonable	25	61%	29	68%	26	62%
Limited	6	15%	4	9%	2	5%
No Assurance	0	0	0	0	0	0%
<b>Total</b>	<b>41</b>	<b>100%</b>	<b>43</b>	<b>100%</b>	<b>42</b>	<b>100%</b>

**Figure 1 – Level of Audit Assurance 2025/26 & 2024/25**

- 2.4 A summary of the key control issues identified within the 2 *Limited Assurance* opinion audits are in Section 3 of the report.
- 2.5 The final position against the 2025/26 approved audit plan is attached at **Annex 2**. This details the status of each planned review, the audit opinion and the number of any high, medium or low recommendations made to improve the control environment. It should be noted that 12 audit reviews listed have no audit opinion. The majority of these are routine internal audit work, for example advice and guidance, external audit liaison, fraud and irregularity work, audit planning and recommendation monitoring. This work is planned but the nature of the audit work carried out in respect of these items does not lead to testing and the formation of an audit opinion. Fact finding pieces of work were also undertaken.
- 2.6 **Annex 2** illustrates the status of the 59 audit assignments included in the audit plan, 42 of which were opinion related. A summary of the status of the planned audits is illustrated in Table 4 below.

## Annual Internal Audit Report 2025/26

**Table 4 – Status of Planned Audits 2025/26**

Status of Audits Assignments	Number	Percentage Completed (%)
Complete with audit opinion	41	87%
Draft with audit opinion	1	2%
Audit in progress and carried forward	2	-
Audit not started; considered for 2026/27 Plan	3	-
<b>Sub Total</b>	<b>47</b>	<b>89%</b>
Complete with no audit opinion	12	-
<b>Total</b>	<b>59</b>	<b>92%</b>

- 2.7 There were 2 audits that were ongoing at year end so were carried forward. A further 3 were not started and will be considered for inclusion in the 2026/27 audit plan.
- 2.8 It is therefore considered that the level of Internal Audit coverage was sufficient for the Head of Audit to be able to give an annual overall opinion.

### Section 3 – Limited Reports - Control Issues

- 3.1 **Table 2** illustrates that 2 audit reviews identified control issues which meant that only *Limited Assurance* could be provided. These key issues are detailed below:

#### 3.2 Corporate Risk Management

The following key issues were identified during the audit :

- The absence of a designated officer with sole responsibility for Corporate Risks undermines clear accountability and inconsistent risk management across the Authority.
- Senior Officers, who should be supporting the identified Risk Owners to monitor and review the risks, were not identified.
- The implementation of the Risk Management software system requires prioritisation.
- It could not be demonstrated that Corporate Risks were being reported and monitored at a Senior Management level, including Directorate Senior Management teams, Corporate Management Team (CMT), Cabinet/ Corporate Management Board (CCMB), or at Overview and Scrutiny Committees, due to a lack of supporting evidence.
- Corporate Risks are not correctly identifiable within the Directorates Business Plans.

## Annual Internal Audit Report 2025/26

3.3 **Awen Cultural Trust**

The following key issues were identified during the audit:

- The savings in the Medium-Term Financial Strategy, agreed by Council in February 2024, had not been identified or achieved.
- Key governance information is not being received from Awen by the Council, and it is not known when key governance information was last received by the Council from Awen.
- No updates on the performance of the Awen partnership have been provided to Scrutiny or Cabinet.
- The membership of the Advisory Board and the Terms of Reference of the Cultural Partnership Advisory Board are outdated.

3.4 Follow up audits are undertaken to provide assurance that improvements have been made following a previous *Limited Assurance* audit opinion report. There were 5 follow up audits completed in 2025/26. Improvements were identified and the audit opinions were all *Reasonable Assurance*. These were:

- Payment Card Industry Data Security Standard (PCI-DSS) Compliance
- Security & Access to Council Buildings
- St Marys Catholic School
- Maesteg Comprehensive School
- Penybont Primary School

## Section 4 – Recommendations 2025/26

4.1 Recommendations are made at the conclusion of an audit review if it is felt that improvements should be made to mitigate risk. Recommendations are included in a management action plan and following each audit report auditees are asked to complete the action plan showing whether they agree with the recommendations made and how they plan to implement them. The classification of each recommendation made assists management in focusing their attention on priority actions, these ratings being High, Medium and Low.

### Recommendation Categorisation

Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results. The criticality of each recommendation is as follows:

#### High Priority

Action that is considered imperative to ensure that the organisation is not exposed to high risks.

## Annual Internal Audit Report 2025/26

Recommendation Categorisation	
<b>Medium Priority</b>	Action that is considered necessary to avoid exposure to significant risks.
<b>Low Priority</b>	Action that is considered desirable and should result in enhanced control.

- 4.2 Management are asked to provide feedback on the status of each recommendation once the target date for implementation has expired. The implementation of these recommendations is monitored via internal audit software to ensure improvements are being made and the monitoring is regularly reported to Senior Officers via Corporate Management Team and to Governance and Audit Committee.

**Table 5 – Analysis of Recommendations Made During 2025/26**

Rec. Category	Follow Ups	Financial & ICT Systems	Other Audit Reviews	Schools	Grant Verification	Total	%
High	0	0	4	5	0	9	4%
Medium	17	10	37	39	3	106	53%
Low	15	9	32	28	1	85	43%
<b>Total</b>	<b>32</b>	<b>19</b>	<b>73</b>	<b>72</b>	<b>4</b>	<b>200</b>	<b>100%</b>

- 4.3 Table 5 illustrates that a total of 200 recommendations were made to improve the control environment of the areas reviewed during 2025/26. Management has given written assurance that these will be implemented or have accepted the identified risk if the recommendation has not been accepted.
- 4.4 **Annex 3** provides a summary of the status of the high and medium internal audit recommendations made. This includes recommendations made in relation to audits completed in previous years which are yet to be implemented.

## Section 5 – Counter Fraud Work

- 5.1 A separate Annual Corporate Fraud Report will be presented to the Governance and Audit Committee which will outline the counter fraud work undertaken during 2025/26 which is being compiled by Bridgend's Senior Fraud Investigator. Internal Audit has an excellent working relationship with the Senior Fraud Investigator and significant liaison takes place in relation to policies, corporate fraud matters and related investigations.

## Annual Internal Audit Report 2025/26

- 5.2 The National Fraud Initiative is also included in the audit plan. Internal Audit facilitates the upload of data and works with the Council's Senior Fraud Investigator to provide advice to officers reviewing the data matches. A biennial exercise commenced when data was extracted from the various Council systems and submitted for matching in October 2024. The matches were returned in January 2025 and work is ongoing to review the data matches to identify if any fraud or error has occurred.

**Section 6 – Key Performance Measures – Client Satisfaction Questionnaires**

- 6.1 The Internal Audit Service uses the Internal Audit software to enable clients to feedback with comments on the work undertaken by internal auditors. The client satisfaction questionnaires provide managers with the opportunity to feedback on the performance, professionalism and conduct of the auditor as well as the audit process in general. The questions are contained in **Annex 4**.
- 6.2 41 questionnaires were issued during 2025/26 with 39 being returned, a return rate of 95% which is an improvement of the previous year's return rate of 67%. There are discrepancies between the number of audit opinions and questionnaires issued due to timing as questionnaires are only sent after an audit is finalised.
- 6.3 The returned surveys confirm satisfaction with the audit approach, the service provided and the conduct of the Auditors. It is pleasing to note that the average rate of satisfaction is 95% (96% in 2024/25).
- 6.4 An analysis of the question *"how would you rate the usefulness of the audit"* has been undertaken as it was felt that this response rate provides a useful insight. The rate of satisfaction to this question is 90%.
- 6.5 The client also has an opportunity to make comments within the Client Satisfaction Questionnaire. Set out below are examples of comments received during the period. Most of the feedback received was positive although all comments received are considered.

**I'm very pleased with the auditor, the work undertaken for this audit, the quick turnaround and the outcome provided..**

**The auditor couldn't have been nicer on a personal and professional level.**

## Annual Internal Audit Report 2025/26

**Section 7 – Key Performance Measures – Staff Training**

- 7.1 Investment in the development of staff continues as it is recognised that with the increasing challenges and complexity facing local government and other public sector services, the need for well trained, motivated, and versatile audit staff has never been higher.
- 7.2 In terms of professional training, our two Graduate Auditors have each successfully completed 3 of the 4 stages of the Chartered Institute of Public Finance and Accountancy (CIPFA) exams. The final stage will be completed within the next year and will result in them becoming fully qualified CIPFA Accountants. Another four members of staff are working towards the Chartered Institute of Internal Auditors, Certified Internal Auditor qualification.
- 7.3 Staff are encouraged to complete on-line courses to develop their skills and networking opportunities. Listed below illustrate the range of training courses that staff have completed during 2025/26:
- Senior Auditor Skills
  - Fraud Awareness
  - Data Protection
  - Project Management
  - Safeguarding – Children and Adults
  - How to Use Data
  - AI and Co-Pilot skills
  - Ethics
  - Challenging Conversations
  - Delivering Effective Feedback
  - Welsh Language
  - Writing Smarter

## Annual Internal Audit Report 2025/26

- 7.4 In addition, those staff who hold professional qualification continue to meet their continuing professional development (CPD) requirements.

**Section 8 – Key Performance Measures – Benchmarking**

- 8.1 The Regional Internal Audit Service (RIAS) is a member of the Welsh Chief Auditors Group (WCAG) and its benchmarking exercise. When the figures become available, they will be shared with the Governance and Audit Committee.
- 8.2 The key indicator is the level of assurance the team can provide on the adequacy of the control environment, governance arrangements and risk management process in place across all service areas of the Council.
- 8.3 The RIAS set quarterly targets to monitor the delivery of the approved audit plan to assist in ensuring sufficient audit coverage has been given to the Council to provide an overall opinion at the end of 2025/26. The year-end target set was 80% and Table 4 illustrates that 92% of the audit plan was completed. A total of 59 assignments were planned during the year of which 54 were completed. Of these, 42 audits were completed with an audit opinion. The nature of the remaining 12 audits did not lead to testing and the formation of an audit opinion, although in some instances recommendations are made.

**Section 9 – Global Internal Audit Standards**

- 9.1 From 1 April 2025 internal audit teams in the public sector in the UK have been working to new internal audit standards. These are a combination of the Global Internal Audit Standards (GIAS) and CIPFA's Application Note, Global Internal Audit Standards in the UK Public Sector.
- 9.2 The Global Internal Audit Standards have replaced the Public Sector Internal Audit Standards, and Internal Audit documentation such as the Internal Audit Charter and the RIAS Audit Manual, have been updated to reference this.
- 9.3 There were some additional requirements and changes, the key ones were:
- 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

## Annual Internal Audit Report 2025/26

## 9.4 The Standards have 5 Domains, 15 Principles and 52 Standards:

The five domains are:

- Purpose
- Ethics and Professionalism
- Governing
- Managing

9.5 The GIAS requires an external assessment to be conducted every five years by a qualified, independent assessor or assessment team external to the organisation. The external quality assessment can also be carried out via an independently validated self-assessment. Members of the Welsh Chief Internal Audit Group elected to adopt the self-assessment approach. The external assessment for the RIAS is scheduled for 2027.

9.6 In addition, an annual internal self-assessment to determine compliance with GIAS is conducted by an Auditor within the team and any non-conformance is reported to the relevant Governance and Audit Committees. This work resulted in a *Substantial Assurance* opinion with 2 low priority recommendations being made and agreed to make further improvement; the Internal Audit Charter was updated to reflect this. Therefore, the RIAS fully conforms with the Global Internal Audit Standards.

## Section 10 – Regional Internal Audit Service Progress

10.1 The expanded shared service came into existence on 1<sup>st</sup> April 2019, it is hosted by the Vale of Glamorgan Council and provides internal audit services to Bridgend, Merthyr Tydfil and the Vale Councils. A 3 Partner Model has successfully been in operation since April 2024.

10.2 The vision for the service is to be the provider of Internal Audit Services of choice to the public sector in South Wales and be a centre of excellence for public sector internal auditing and to be a service that is regarded as:

- ✓ Professional
- ✓ Approachable
- ✓ Flexible
- ✓ Independent but internal to the organisation – a critical friend

10.3 During 2025/26, the service was supported by an agency auditor for a few months and the Graduate Auditors are being supported to become professionally qualified which will assist in succession planning.

10.4 Audit work has been conducted using various digital solutions and audit staff and auditees all have adjusted well to this way of working. The audit service continues to be delivered remotely with an element of office based and face to face working as required.

## Annual Internal Audit Report 2025/26

- 10.5 The audit software solution continues to be used. Ongoing development will continue to ensure maximum use of the improved functionality and reporting tools.
- 10.6 The RIAS undertook some internal audit work for the Welsh Local Government Association (WLGA) during 2025/26, and this agreement will continue for 2026/27.
- 10.7 The longer-term success of the Regional Internal Audit Service includes plans to develop a commercial approach and analysing the potential public sector market. Limited progress has been made on this aspect as the foundations referred to above need to be embedded before progressing this.

## Annual Internal Audit Report 2025/26

**Section 11 - Opinion Statement 2025/26**

This statement of opinion is underpinned by:

**Internal Control Framework**

The control environment comprises the Council's policies, procedures and operational systems and processes in place to:

- Establish and monitor the achievement of the Council's objectives;
- Facilitate policy and decision making;
- Ensure the economical, effective and efficient use of resources;
- Ensure compliance with established policies, procedures, laws and regulations;
- Safeguard the council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.

During the year, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. Creditors, Council Tax, General Ledger and Open Contractor) or generally in the reviews undertaken in respect of directorate systems and processes.

In providing my annual audit opinion, it should be noted that assurance can never be absolute. The most that internal audit can provide is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The matters raised in this report are only those which came to our attention during our internal audit work in the financial year 2025/26 and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at my opinion, the following matters have been taken into account:

- The results of all internal audits undertaken during the year ended 31<sup>st</sup> March 2026
- The results of follow-up reviews of action taken to address audit recommendations;
- Whether or not any significant recommendations have not been accepted by management and the consequent risks;
- The effects of any material changes in the Council's objectives and activities.
- Other sources of assurance

## Annual Internal Audit Report 2025/26

**Governance Arrangements**

Good Governance will facilitate effective management that can deliver long term success and performance of an organisation.

Governance arrangements are considered as part of every audit where applicable.

Whilst some governance issues were identified within the school audits, no other significant issues were identified from a governance perspective therefore an opinion of **Reasonable Assurance** is given.

**Risk Management**

Effective Risk Management forms a key aspect of assurance and governance. The Corporate Risk Management Policy sets out the roles, responsibilities and reporting lines for all officers and members.

Key risks are distilled in the Corporate Risk Assessment which is regularly reviewed and challenged by senior management. Detailed reports are also provided quarterly to the Governance & Audit Committee.

A Corporate Risk Management audit was undertaken during 2025/26 and a *Limited* opinion provided largely due to strategic and management aspects of risk management needing strengthening. These findings aligned to the findings of Audit Wales in their risk management audit.

Risk management audit is also considered as part of every audit.

It is not possible to eliminate all risk of failure to meet the targets in the Council's policies, aims and objectives and cannot therefore provide absolute assurance of effectiveness, but one of **Limited Assurance** is given.

**Internal Control**

I have based my opinion on internal control using the work undertaken by internal audit during the year.

A total of 42 reviews culminating in an overall opinion have been completed, 40 (95%) of which have been closed with either a *Substantial* or *Reasonable Assurance* opinion level. 2 reviews (5%) were given a *Limited Assurance* opinion which identified significant weaknesses in the overall control environment, and these have been summarised in Section 3 above.

Therefore, an opinion of **Reasonable Assurance** can be given on internal control.

## Annual Internal Audit Report 2025/26

**Head of Internal Audit Opinion Statement 2025/26**

From the work undertaken during the financial year 2025/26 and taking into account other sources of assurance, such as Head Teacher and Chair of Governor Assurance Statements, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2025/26 is:

**“Reasonable Assurance”**

The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.

Many Council staff are continuing to work remotely, and systems & processes have had to be adjusted to cater for the new ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements remained in place.

The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation.

Andrew Wathan CPFA  
Head of Regional Internal Audit Service  
May 2026

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## Audits Completed with an Audit Opinion 2025/26

Area	Audit Opinion/Assurance			Recommendations		
	Substantial	Reasonable	Limited	High	Medium	Low
Payment Card Industry Data Security Standard (PCI-DSS) Compliance Follow Up		√		0	2	1
Security & Access to Council Buildings Follow Up		√		0	5	2
Good Governance		√		0	1	2
Safeguarding		√		0	2	2
Corporate Risk Management			√	2	5	2
Corporate Performance	√			0	0	3
Bus Service Support Grant 2024-25	√			0	0	0
Frameworks & Corporate Contracts		√		0	2	2
Creditors		√		0	2	3
Council Tax (Premium Charges)	√			0	3	1
General Ledger	√			0	1	1
Budget Savings	√			0	0	1
Financial Management Code	√			0	0	0
Petty Cash		√		0	3	1
Open Contractor	√			0	2	1
Childview - Youth Justice Information Management System	√			0	0	1
Datacentre	√			0	1	1
Payroll	√			0	0	1
Housing Support Grant Procurement	√			0	0	2
Communications & Consultation		√		0	1	5
Coychurch Crematorium	√			0	0	0
Porthcawl Harbour		√		0	3	1
Planning Applications and Appeals		√		0	1	3
Shared Prosperity Funding		√		0	2	0
Highways Stores Management		√		0	5	1
Vehicle Fuel Management		√		1	7	3
Facilities Management - Operational Delivery		√		1	5	0
Urban & Rural Grass Cutting		√		0	4	3
St Marys Catholic School Follow Up		√		0	5	6
Coleg Cymunedol y Dderwen (CCYD)		√		0	5	7
Maesteg Comprehensive Follow Up		√		0	2	2
Abercerdin Primary		√		1	6	2
Penybont Primary Follow Up		√		0	3	4
Mynydd Cynffig		√		0	7	7
School CRSA		√		0	0	3
School Balances	√			0	2	0
Awen Cultural Trust			√	2	2	2
Special Guardian Orders		√		0	3	1
Children's Home – Golygfa'r Dolydd		√		2	10	1
Commissioning of Services - Adult Social Care		√		0	4	1
Effectiveness of the Governance & Audit Committee		√		0	0	4
Compliance with GIAS - Self Assessment	√			0	0	2
<b>Totals</b>	<b>14</b>	<b>26</b>	<b>2</b>	<b>9</b>	<b>106</b>	<b>85</b>

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	Directorate	Area	Audit Objective	Status	Report Date	Audit Opinion/Assurance			Recommendations			
						Substantial	Reasonable	Limited	High	Medium	Low	
	Cross - Cutting	Limited Assurance Reports - Follow up	To ensure that improvements have been made to the control environment since the previous limited assurance review.									
1			Payment Card Industry Data Security Standard (PCI-DSS) Compliance Follow Up	final issued	15-12-25		v		0	2	1	
2			Security & Access to Council Buildings	final issued	16-12-25			v		0	5	2
3	Cross Cutting	Good Governance	To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities. Assist in the AGS	final issued	23-04-26			v		0	1	2
4	Cross Cutting	Safeguarding	The objectives of the audit are to undertake an assessment of the Council's overall operating model for safeguarding to evaluate safeguarding performance. The review will include the safeguarding arrangements in place for vulnerable adults as well as children.	final issued	27-04-26			v		0	2	2
5	Cross Cutting	Corporate Risk Management	The objective of the audit is to review a sample of Corporate Risks to identify if they are being appropriately managed and progress is being reported accurately.	final issued	07-11-25				v	2	5	2
6	Cross Cutting	Corporate Performance	To select a sample of Performance Indicators and provide assurance on the accuracy and integrity of supporting information for each definition	final issued	30-03-26	v				0	0	3
	Cross Cutting	Grant Certification Work	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.									
7			Bus Service Support Grant 2024-25	final issued	19-05-25	v				0	0	0
8	Chief Executives	Frameworks & Corporate Contracts	To undertake a review of the corporate contracts and frameworks in place across the Council including the central recording and monitoring processes. This review will also aim to identify how awareness of frameworks / corporate contracts is promoted, identify the number of non corporate contracts in place and establish whether these are appropriate (based on a selected sample)	final issued	05-09-25			v		0	2	2
	Chief Executives	Key Financial Systems	A rolling programme of audits is adopted for material systems whereby the work programme for each year will differ.									
9			Creditors	final issued	07-10-25			v		0	2	3
10			Council Tax (Premium Charges)	final issued	13-01-26	v				0	3	1
11			General Ledger	final issued	11-05-26	v				0	1	1
12	Chief Executives	Budget Savings	To identify and review the systems in place to monitor the high level of savings identified	final issued	26-09-25	v				0	0	1
13	Chief Executives	Financial Management Code	To provide assurance that the information presented is accurate	final issued	16-09-25	v				0	0	0
14	Chief Executives	Petty Cash	To provide assurance that establishments still require petty cash and if so they are complying with procedures and usage is appropriate.	final issued	15-09-25			v		0	3	1
	Chief Executives	ICT Audit	In consultation with ICT, systems reviews will be undertaken across Directorates to ensure robust controls are evident and operating effectively in order to minimise the threat of cyber crime									
15			Open Contractor	final issued	31-07-25	v				0	2	1
16			Childview - Youth Justice Information Management System	final issued	31-07-25	v				0	0	1
17			ICT Equipment Inventories	on-going C/F								
18	Chief Executives	Datacentre	To provide assurance that due diligence has taken place in respect of moving this off site and that suitable contracts are in place.	final issued	05-03-26	v				0	1	1
19	Chief Executives	Payroll	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Payroll including overtime, standby and call out payments	final issued	26-09-25	v				0	0	1
20	Chief Executives	Housing Support Grant Procurement	To provide assurance that appropriate systems and processes are in place and are compliant to the terms of the funding	final issued	13-02-26	v				0	0	2
21	Chief Executives	Communications & Consultation	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Communications & Consultation	final issued	11-02-26			v		0	1	5
22	Communities	Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement 2024/25	final issued	30-05-25	v				0	0	0
23	Communities	Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement 2024/25	final issued	18-07-25			v		0	3	1
24	Communities	Planning Applications and Appeals	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Planning Applications & Appeals.	final issued	02-12-25			v		0	1	3
25	Communities	Shared Prosperity Funding	Review the process in place for receiving funding, funding and expenditure approval and the governance of decision making to provide assurance that the systems are robust and efficient.	final issued	13-11-25			v		0	2	0
26	Communities	Highways Stores Management	To provide assurance that the control of stock for trades working out of Council depots are effective and efficient	final issued	28-11-25			v		0	5	1
27	Communities	Vehicle Fuel Management	To provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Vehicles Fuel System.	draft issued	01-04-26			v		1	7	3
28	Communities	Facilities Management - Operational Delivery	To review the effectiveness of the processes in place in regards to financial and operational controls to provide assurance they are effective and efficient	final issued	09-04-26			v		1	5	0
29	Communities	Urban & Rural Grass Cutting	To examine the systems in place to provide assurance that the service is working effectively and efficiently	final issued	06-05-26			v		0	4	3

	Directorate	Area	Audit Objective	Status	Report Date	Audit Opinion/Assurance			Recommendations			
						Substantial	Reasonable	Limited	High	Medium	Low	
	Education & Family Support	Schools	To undertake a number of school based reviews as well as cross cutting thematic reviews in accordance with the Internal Audit risk based assessment.									
30			St Marys Catholic School Follow Up	final issued	10-10-25		v		0	5	6	
31			Coleg Cymunedol y Dderwen (CCYD)	final issued	26-09-25		v		0	5	7	
32			Maesteg Comprehensive Follow Up	final issued	03-12-25		v		0	2	2	
33			Abercerdin Primary	final issued	21-11-25		v		1	6	2	
34			Penybont Primary Follow Up	final issued	09-01-26		v		0	3	4	
35			Mynydd Cynffig	final issued	16-01-26		v		0	7	7	
36	Education & Family Support	School CRSA	To undertake the annual controlled risk self – assessment for schools. The aim of the process is to enable Head Teachers to review their internal controls and to ensure that they undertake and comply with the requirements of current legislation and the Financial Procedure Rules.	final issued	19-03-26		v		0	0	3	
37	Education & Family Support	School Balances	To provide assurance that the processes in place provide sufficient oversight and intervention where appropriate in respect of school balances.	final issued	21-11-25	v			0	2	0	
38	Education & Family Support	Cyber Security in Schools	To provide assurance that the Council is taking suitable steps to establish whether its schools have the appropriate safeguards in place to protect against cyber-attacks.	to be considered 2026/27								
39	Social Services & Wellbeing	Awen Cultural Trust	To provide assurance in respect of contract management, performance management and scrutiny of the partnership arrangement in place between the Trust and the Council	final issued	14-04-26			v	2	2	2	
40	Social Services & Wellbeing	Assisted Travel (Older Persons)	Provide assurance that transport contracts and 'in house' transport for Older Persons is compliant, economic and efficient	to be considered 2026/27								
41	Social Services & Wellbeing	Section 117	To seek assurance that processes are adhered to in respect of policies and procedures, case management and agreed funding arrangements between LA and Health.	on-going C/F								
42	Social Services & Wellbeing	Special Guardian Orders	To review the arrangements in place for the payment of Special Guardianship Orders and means testing methodology	final issued	11-11-25		v		0	3	1	
43	Social Services & Wellbeing	Children's Home – Golygfa'r Dolydd	To undertake an establishment audit to provide assurance that the internal controls are effective.	final issued	09-07-25		v		2	10	1	
44	Social Services & Wellbeing	Commissioning of Services - Adult Social Care	To provide assurance that the correct procurement processes are undertaken to ensure contracts and agreements are compliant and efficient and economical	final issued	24-02-26		v		0	4	1	
45	Social Services & Wellbeing	WCCIS Replacement Project	To provide assurance on governance and decision making around the project whilst implementation is underway	to be considered 2026/27								
46	Internal Audit	Effectiveness of the Governance & Audit Committee	To provide assurance that the Council's Governance and Audit Committee is effective, in line with the CIPFA Self-Assessment of Good Practice guidance	final issued	05-05-26		v		0	0	4	
47	Internal Audit	Compliance with GIAS - Self Assessment	Review compliance with the Global Internal Audit Standards.	final issued	12-05-26	v			0	0	2	
48	Internal Audit	Governance & Audit Committee /Members and CMB Reporting	This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee. Regular reporting to, and meeting with, the Section 151 Officer, Corporate Management Board and the RIAS Board.									
49	Internal Audit	Meetings, Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority.									
50	Internal Audit	Data Analytics	Data Analytics is proving to be a useful internal audit tool as councils become more reliant on electronic data, as data analytics enables a vast amount of data to be analysed when selecting testing samples									
51	Internal Audit	Audit Wales Liaison	To maintain professional relationship in line with good practice and the GIAS									
52	Internal Audit	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.									
53	Internal Audit	Annual Opinion Report	To prepare and issue the Head of Audit's Annual Opinion Report 2024/25 and start preparation for 2025/26 report.									
54	Internal Audit	Audit Planning	To prepare and monitor the annual risk based audit plan for 2024/25 and commence preparation for 2025/26 plan									
55	Internal Audit	Audit Charter / Manual	To review and update the documents as required									
56	Internal Audit	Closure of reports - 2024-25	To finalise all draft reports outstanding at the end of 2024-25									
57	Internal Audit	Emerging Risks / Unplanned	To enable Audit Services to respond to provide assurance activity as required.									
58	Cross - Cutting	Fraud / Error / Irregularity	National Fraud Initiative - Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers.									
59	Cross - Cutting	Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.									
			<b>OVERALL TOTALS</b>			14	26	2	9	106	85	

## Bridgend County Borough Council - Recommendation Monitoring Position Statement

Audit Name	Audit Opinion	Final Report Date	Number Made			Not Agreed	Implemented			Overdue			Future Target Date		
			High	Medium	Total		High	Medium	Total	High	Medium	Total	High	Medium	Total
<b>2022-23</b>	<b>Total Recs Made</b>		<b>2</b>	<b>68</b>	<b>70</b>	<b>0</b>	<b>2</b>	<b>67</b>	<b>69</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
Home To Work Mileage in Council Vehicles	REASONABLE	27-01-23	0	4	4	0	0	3	3	0	0	0	0	1	1
<b>Total</b>			<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>2023-24</b>	<b>Total Recs Made</b>		<b>25</b>	<b>99</b>	<b>124</b>	<b>0</b>	<b>25</b>	<b>98</b>	<b>123</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
Procurement	LIMITED	11-06-24	5	3	8	0	5	2	7	0	0	0	0	1	1
<b>Total</b>			<b>5</b>	<b>3</b>	<b>8</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
<b>2024-25</b>	<b>Total Recs Made</b>		<b>11</b>	<b>137</b>	<b>148</b>	<b>0</b>	<b>10</b>	<b>132</b>	<b>142</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>6</b>
Agency Staff	REASONABLE	10-03-25	1	2	3	0	0	1	1	0	0	0	1	1	2
Bridge Alternative Provision	REASONABLE	03-03-25	0	5	5	0	0	4	4	0	0	0	0	1	1
Business Continuity Planning	LIMITED	28-01-25	2	3	5	0	2	2	4	0	0	0	0	1	1
Community Asset Transfers	SUBSTANTIAL	30-04-25	0	2	2	0	0	0	0	0	0	0	0	2	2
<b>Total</b>			<b>3</b>	<b>12</b>	<b>15</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>6</b>
<b>2025-26</b>															
Safeguarding	REASONABLE	27-04-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Golygfa'r Dolydd (Meadows View) Children's Home	REASONABLE	09-07-25	2	10	12	0	2	10	12	0	0	0	0	0	0
Porthcawl Harbour Annual Return 24/25	REASONABLE	18-07-25	0	3	3	0	0	0	0	0	0	0	0	3	3
Open Contractor Management System	SUBSTANTIAL	31-07-25	0	2	2	0	0	1	1	0	0	0	0	1	1
Framework Agreements	REASONABLE	05-09-25	0	2	2	0	0	2	2	0	0	0	0	0	0
Petty Cash	REASONABLE	15-09-25	0	3	3	0	0	2	2	0	0	0	0	1	1
Coleg Cymunedol y Dderwen (CCYD)	REASONABLE	26-09-25	0	5	5	0	0	2	2	0	0	0	0	3	3
Creditors	REASONABLE	07-10-25	0	2	2	0	0	1	1	0	0	0	0	1	1
St Marys Catholic School - Follow up	REASONABLE	10-10-25	0	5	5	0	0	1	1	0	0	0	0	4	4
Corporate Risk Management	LIMITED	07-11-25	2	5	7	0	0	0	0	0	0	0	2	5	7
Special Guardianship Orders	REASONABLE	11-11-25	0	3	3	0	0	0	0	0	0	0	0	3	3
Shared Prosperity Fund	REASONABLE	13-11-25	0	2	2	0	0	2	2	0	0	0	0	0	0
Abercerdin Primary School	REASONABLE	21-11-25	1	6	7	0	0	4	4	0	0	0	1	2	3
School Balances	SUBSTANTIAL	21-11-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Highways Stores Management	REASONABLE	28-11-25	0	5	5	0	0	0	0	0	0	0	0	5	5
Planning Applications and Appeals	REASONABLE	02-12-25	0	1	1	0	0	0	0	0	0	0	0	1	1
Maesteg Comprehensive School Follow Up	REASONABLE	03-12-25	0	2	2	0	0	2	2	0	0	0	0	0	0
PCI-DSS Compliance Follow Up	REASONABLE	15-12-25	0	2	2	0	0	0	0	0	0	0	0	2	2
Security & Access to Council Buildings Follow Up	REASONABLE	16-12-25	0	5	5	0	0	0	0	0	0	0	0	5	5
Penybont Primary inc. Purchasing Card Follow-up	REASONABLE	09-01-26	0	3	3	0	0	2	2	0	0	0	0	1	1
Council Tax - Premium Charges	SUBSTANTIAL	13-01-26	0	3	3	0	0	3	3	0	0	0	0	0	0
Mynydd Cynffig Primary School	REASONABLE	16-01-26	0	7	7	0	0	7	7	0	0	0	0	0	0
Communications & Consultation	REASONABLE	12-02-26	0	1	1	0	0	0	0	0	0	0	0	1	1
Commissioning of Services - Adult Social Care	REASONABLE	24-02-26	0	4	4	0	0	0	0	0	0	0	0	4	4
Datacentre	SUBSTANTIAL	05-03-26	0	1	1	0	0	0	0	0	0	0	0	1	1
Facilities Management - Operational Delivery	REASONABLE	09-04-26	1	5	6	0	0	0	0	0	0	0	1	5	6
Awen Cultural Trust	LIMITED	14-04-26	2	2	4	0	1	0	1	0	0	0	1	2	3
Good Governance	REASONABLE	23-04-26	0	1	1	0	0	0	0	0	0	0	0	1	1
Urban & Rural Grass Cutting	REASONABLE	06-05-26	0	4	4	0	0	1	1	0	0	0	0	3	3
General Ledger	SUBSTANTIAL	11-05-26	0	1	1	0	0	0	0	0	0	0	0	1	1
Vehicle Fuel Management	REASONABLE	Draft	1	7	8	0	0	0	0	0	0	0	1	7	8
<b>Total</b>			<b>9</b>	<b>106</b>	<b>115</b>	<b>0</b>	<b>3</b>	<b>40</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>66</b>	<b>72</b>

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## **RIASS CLIENT QUESTIONNAIRE**

### **AUDIT PLANNING**

1. Were you satisfied with the notice given prior to the commencement of the Audit?

- SATISFIED
- ADEQUATE
- UNSATISFIED

Click or tap here to enter text.

2. Were you adequately consulted with in respect of the nature, scope and objectives of the Audit?

- SATISFIED
- ADEQUATE
- UNSATISFIED

Click or tap here to enter text.

### **AUDIT FIELDWORK**

3. Was the audit fieldwork undertaken in a timely manner, with minimum disruption to service delivery?

- Yes
- No
- Partially

Click or tap here to enter text.

4. Was a summary of the audit findings adequately explained to you following completion of the audit fieldwork and prior to the issue of the draft report?

- Yes
- No
- Partially

Click or tap here to enter text.

## AUDIT REPORT

5. Did you find the recommendations within the report fair and accurate

- Yes
- No
- Partially

Click or tap here to enter text.

6. Were you adequately consulted and given sufficient opportunity to comment on the Draft Report?

- Yes
- No
- Partially

Click or tap here to enter text.

7. Do you feel the recommendations within your report will be of value to you as a Manager?

- Yes
- No
- Partially

Click or tap here to enter text.

8. Were you happy that the format of the Report was clear, concise and easy to read?

- Yes
- No
- Partially

Click or tap here to enter text.

9. How do you rate the timeliness of the issue of the Final Report?

- SATISFIED
- ADEQUATE
- UNSATISFIED

Click or tap here to enter text.

## CONDUCT OF THE AUDITOR(S)

10. Were the auditor(s) generally helpful throughout the audit and offer appropriate assistance and/or advice (if applicable)?

Yes

No

Partially

Click or tap here to enter text.

11. How do you assess the Auditor(s) in terms of professionalism, helpfulness and politeness?

Very Good

Good

Average

Poor

Very Poor

Click or tap here to enter text.

## OVERALL

12. How would you rate the usefulness of the audit?

Very Good

Good

Average

Poor

Very Poor

Click or tap here to enter text.

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# Agenda Item 8

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>18 JUNE 2026</b>
<b>Report Title:</b>	<b>INTERNAL AUDIT STRATEGY &amp; RISK BASED PLAN 2026-27</b>
<b>Report Owner / Corporate Director:</b>	<b>HEAD OF THE REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Responsible Officer:</b>	<b>ANDREW WATHAN HEAD OF REGIONAL INTERNAL AUDIT SERVICE</b>
<b>Policy Framework and Procedure Rules:</b>	The proposals in this report are in accordance with the policy framework and budget.
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• In line with the Global Internal Audit Standards (GIAS) the Head of Internal Audit must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. The risk-based audit plan should cover the Council's overall control environment including risk, governance and internal controls as far as practicable.</li> <li>• Consideration of the Regional Internal Audit Service's Audit Strategy and Annual Risk Based Plan is one of the Governance and Audit Committee's key responsibilities.</li> <li>• The proposed Internal Audit Strategy for 2026-27 is attached at Appendix A and the Annual Risk Based Plan for 2026-27 is attached at Appendix B to this report.</li> <li>• The Strategy demonstrates how the Internal Audit Service will be delivered and developed in compliance to the GIAS. The Strategy will be reviewed and updated annually.</li> <li>• The plan provides this Committee with an overview of the work to be undertaken which will offer sufficient coverage to enable an overall assurance opinion at the end of 2026-27 to be provided.</li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to provide members of the Governance and Audit Committee with the Annual Internal Audit Strategy and Risk Based Audit Plan for 2026-27 for approval.

## **2. Background**

- 2.1 The Global Internal Audit Standards (GIAS) and the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice and Application Note provide the framework within which an internal audit plan should be compiled.

- 2.2 In line with the GIAS the Head of Internal Audit must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

- 2.3 To develop the risk-based plan, the Head of Internal Audit consults with senior management to obtain an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The Head of Internal Audit must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems and controls.

- 2.4 In order to produce the Internal Audit Plan the following information is taken into account:

- Corporate Risk Register;
- Corporate Plan;
- Feedback from planning questionnaires issued to Managers;
- Key Financial Systems;
- Grant Claims that require Internal Audit certification;
- Follow-up reviews;
- Audit reviews that are carried forward from the previous Audit Plan;
- Feedback from questionnaires issued post audit;
- Results of discussions with the Corporate Management Team, including the Chief Executive, Section 151 Officer and other senior officers as necessary.

- 2.5 The GIAS require a risk-based audit plan to be produced to cover the Council's overall control environment including risk, governance and internal controls as far as practicable.

- 2.6 Consideration of the sources of information noted above supports Internal Audit to achieve the following:

- Compliance with the GIAS in compiling the Annual Internal Audit Plan;
- Enabling the Governance and Audit Committee to monitor the adequacy of the risk management framework and the associated control environment of the Council for 2026-27 based on the audit reviews set out in the Annual Internal Audit Plan; and
- Enabling the Head of Internal Audit to form an opinion on the risk, governance and internal controls of the organisation.

### **3. Current situation / proposal**

- 3.1 Attached at **Appendix A** is the draft Internal Audit Strategy document for 2026-27. It demonstrates how the Internal Audit Service will be delivered and developed in compliance to the GIAS requirements. The Strategy will be reviewed and updated annually in consultation with stakeholders namely the Governance and Audit Committee, Corporate Management Team, External Auditors and Senior Management.
- 3.2 The 2026-27 draft Annual Risk Based Plan of work has been formulated in compliance with the GIAS and is attached at **Appendix B**.
- 3.3 The proposed Annual Plan is flexible to allow for changing circumstances and events that may occur, such as requests to respond to new issues that may emerge.
- 3.4 Internal Audit work will be undertaken using a hybrid approach of on-site visits and meetings as required for each audit, and remotely using video conferencing (e.g. Microsoft Teams) and digital solutions as a basis for meetings and sharing documents and data, as required by each audit.
- 3.5 The proposed Annual Plan at **Appendix B** will offer sufficient coverage to be able to provide an assurance opinion at the end of 2026-27.
- 3.6 The Governance and Audit Committee will receive updates on how the Plan is being delivered and any changes that may be required.

### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

### **6. Climate Change and Nature Implications**

- 6.1 There are no climate change and nature implications arising from this report.

### **7. Safeguarding and Corporate Parent Implications**

- 7.1 There are no safeguarding or corporate parent implications arising from this report.

## **8. Financial Implications**

8.1 There are no financial implications as a result of the recommendations set out in the report.

## **9. Recommendation**

9.1 The Governance and Audit Committee is recommended to consider and approve the Internal Audit Strategy (**Appendix A**) and Annual Risk Based Audit Plan for 2026-27 (**Appendix B**).

## **Background documents**

None

Cyngor Bwrdeistref Sirol



# STRATEGY & ANNUAL RISK BASED INTERNAL AUDIT PLAN

## 2026-27

**REGIONAL INTERNAL AUDIT SERVICE /  
GWASANAETH ARCHWILIO MEWNOL RHANBARTHOL**



## 1. Introduction

- 1.1 Internal Audit objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. This opinion forms part of the framework of assurances that the Council receives and should be used to help inform the Annual Governance Statement. The purpose of this document is to provide a detailed Internal Audit Risk Based Plan for 2026-27.
- 1.2 The audit plan ensures that the risks facing the Council are adequately addressed and internal audit resources are effectively utilised. The standards for “proper practice” in relation to internal audit are laid down in the Global Internal Audit Standards (GIAS) and the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Application Note.
- 1.3 The Internal Audit Service is delivered through the expanded shared service that came into existence on 1st April 2019. The service is hosted by the Vale of Glamorgan Council and currently provides internal audit services to the Vale, Bridgend & Merthyr Tydfil Councils. A 3 Partner Model became operational from 1<sup>st</sup> April 2024. Positive feedback has been received in relation to audit service delivery from all partner S151 Officers and senior management.
- 1.4 The service reports to the three Governance & Audit Committees and is overseen at a strategic level by the Board which consists of the Chief Finance Officers of the three Councils.

## 2. Definition of Internal Audit

- 2.1 Internal Audit can be defined as follows:

*“Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.*

## 3. Requirement for Internal Audit

- 3.1 Internal Audit is a mandatory statutory service. Part 3 of The Accounts and Audit (Wales) Regulations 2014 concerns financial management and internal control. Regulation 5 (responsibility for internal control and financial management) of Part 3 directs that:

*‘The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes:*

- (a) Arrangements for the management of risk, and*
- (b) Adequate and effective financial management.’*

3.2 Regulation 7 (Internal Audit) of Part 3 directs that:

*‘A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.’*

3.3 The GIAS state:

*“The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals. The risk based plan must take into account the requirement to produce an annual internal audit opinion”*

3.4 The overall opinion issued each year by the Head of Internal Audit on the adequacy and effectiveness of the control environment is used as a key source of assurance to support the Annual Governance Statement.

#### **4. Section 151 Officer Responsibility**

4.1 Internal Audit also has an important role to support the Council’s Section 151 Officer in discharging their statutory responsibilities, which include: -

- S151 Local Government Act 1972 – to ensure the proper administration of financial affairs.
- S114 Local Government Act 1988 – to ensure the Council’s expenditure is lawful.

#### **5. Development of the Internal Audit Plan**

5.1 The annual internal audit plan has been prepared after considering the Council’s risk registers and the views of Corporate Directors and Senior Management as to where audit resource and assurance is most needed. In line with the GIAS, this plan should enable Internal Audit to maximise the value and assurance it provides to the Council, whilst ensuring it fulfils its statutory obligation to review and report on the Council’s internal control environment, governance and risk management arrangements.

#### **6. Risk Based Approach**

6.1 The internal audit function will be delivered in accordance with the Internal Audit Charter 2026-27, as agreed by the Governance & Audit Committee. The Charter defines the role, scope, independence, authority and responsibility of the internal audit service. The Internal Audit Charter is reviewed and updated annually and taken to Governance and Audit Committee for endorsement.

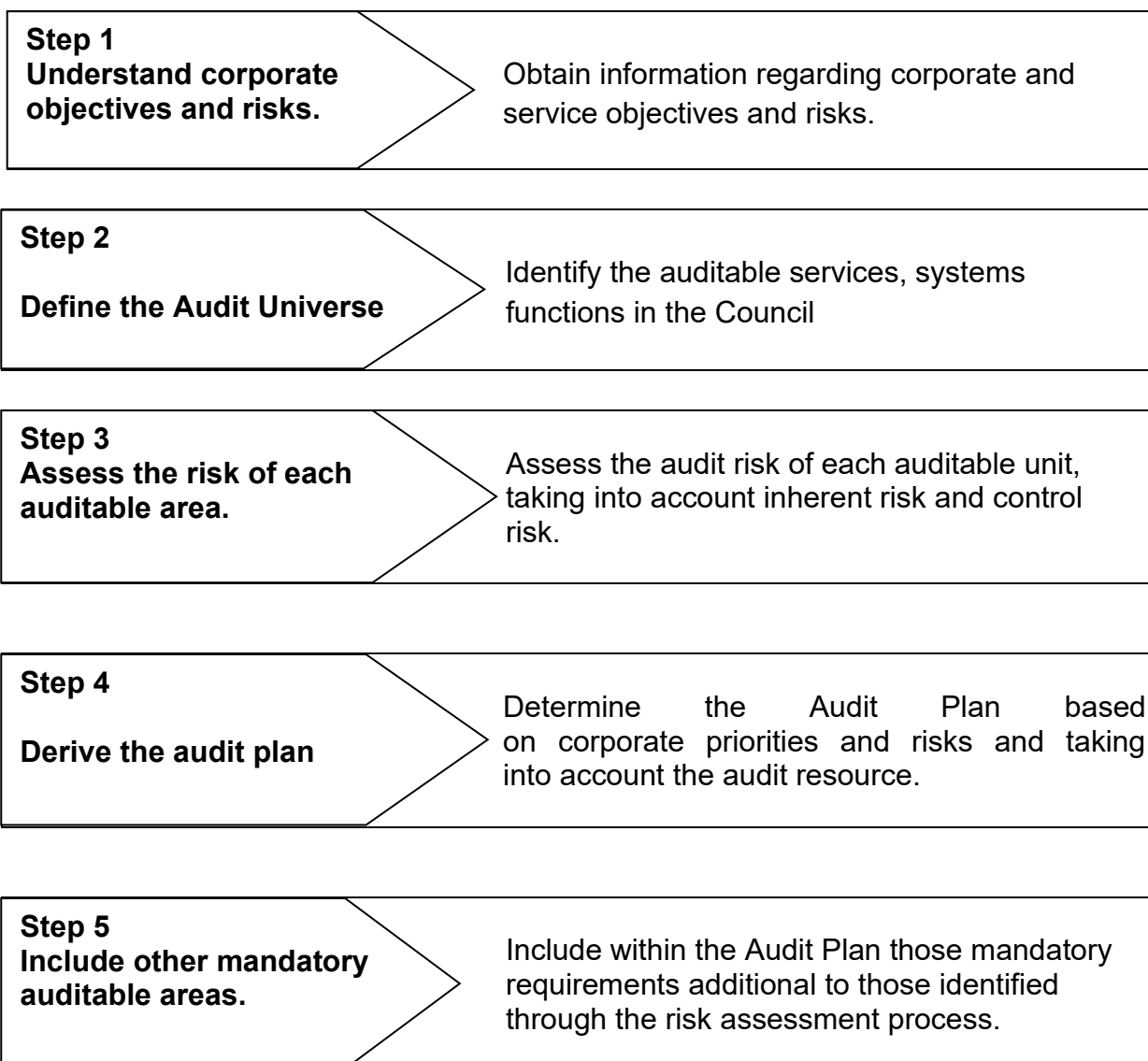
6.2 Risk based work is critical to the Council, as it seeks to improve the risk awareness of staff and improve overall control. The internal audit work programme is designed to provide assurance that identified significant risks are being managed effectively.

As part of this process Internal Audit will also examine the risk management and governance arrangements.

6.3 By adopting a risk based audit approach there is a clear linkage between the significant risks identified in the Council’s Corporate Risk Register and the work undertaken by Internal Audit in providing assurance against these. As a result, the starting point for the audit plan approach is an understanding of the Council’s objectives and risks.

**7. Methodology**

7.1 A summary of our approach to the development of the Audit Plan for 2026-27 is set out below. The Plan is driven by the Council’s organisational objectives and priorities as set out in the Corporate Plan and the risks that may prevent the Council from meeting these objectives.



## 8. The Risk Assessment Process

- 8.1 The information which has been used to prepare the risk assessment and proposed internal audit plan has been collected and collated from several different sources. The starting point for a risk-based audit approach is an understanding of the Council's priorities and risks. This has been achieved by reviewing the Corporate Plan, the Directorate's Service Plans and the Corporate Risk Register. An eform was circulated to Group Managers and Heads of Service and a meeting with the Corporate Management Team took place asking where they perceive to be the main risks within their individual areas and where they would require internal audit to provide assurance that such risks are being effectively mitigated and managed. This information is used to inform and design the audit plan.
- 8.2 The plan is based on an underlying risk assessment. The inherent risks existing within each area are then identified for audit as part of the audit planning process. The audits which make up the plan have been assessed on a priority basis. The priority and timing of audits may change during the year subject to discussions with senior management and resource availability.

## 9. The Annual Internal Audit Plan

- 9.1 In accordance with the GIAS, the Head of Audit is responsible for developing a risk-based annual audit plan which considers the Council's risk management framework. Within the Standards there is also a requirement for the Head of Audit to review and adjust the plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, controls and resources. The Head of Audit must also ensure that Internal Audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.
- 9.2 An annual plan is derived following the audit risk assessment, whereby audits will be selected based on the greatest perceived risk. The Internal Audit Service will ensure that most effort is focused on high-risk areas while, at the same time, not ignoring the potential for problems that may materialise in other areas.
- 9.3 Whilst the Internal Audit Service will adopt a risk-based approach to determine relative risk, there will remain areas where a purely cyclical approach may still be required e.g. programme of school audits, financial and ICT systems and grant verifications. Within a Council context it is also important to ensure audit coverage across the service portfolio to provide assurances to senior management on the proper use of the public pound, minimising fraud and error.
- 9.4 Consideration is also given to planned external audit work to minimise duplication and to maximise audit coverage.
- 9.5 Attached at **Appendix B** is the detailed schedule of audits planned to be completed during 2026-27 for each of the Council's Directorates including Cross Cutting audits.
- 9.6 The Head of Internal Audit will monitor progress against the audit plan. Where there is a need for significant changes to the plan; a revised plan will be re-submitted to

the Governance & Audit Committee for endorsement. The Governance & Audit Committee will also be advised of performance against the audit plan and be kept informed of the results undertaken.

- 9.7 The Internal Audit team will continue to work remotely to a large extent, conducting audits and obtaining evidence digitally but will also include in person visits and meetings as required for each audit.

### **10. Resource Requirement**

- 10.1 Resource requirements are reviewed each year as part of the audit planning process and are discussed and agreed with the Regional Internal Audit Service (RIAS) Board. RIAS has the appropriate level of resources to deliver the agreed number of audit days to the Council during 2026-27. If the situation arises where in-house resources are not able to deliver the agreed number of audit days, the Head of Internal Audit will look to alternative sources to enable completion of the plan.

### **11. Contingencies**

- 11.1 The internal audit plan needs to be flexible enough to enable the RIAS to be able to respond, as required, to situations arising during the period covered by the plan. A contingency reserve element has been built in to assist in dealing with any such matters arising.

### **12. Audit Approach**

- 12.1 The primary purpose of an audit review is to provide an independent and objective opinion to the Council on the framework of internal control, risk management and governance in operation and to stimulate improvement.

- 12.2 The approach will be :

- Fieldwork will take place following agreement of the audit objectives with relevant evidence obtained.
- Audit results are communicated to the management of the audited area in a closing meeting follow the completion of the audit fieldwork. This meeting is intended to clarify any issues which may need further explanation and help avoid any misperception or inaccurate conclusion which could be reflected in the draft report.
- A draft report containing findings and where appropriate recommendations will be prepared and issued to the relevant Manager and a response to the recommendations contained in the Management Action Plan requested.
- Following the return of the draft report and completed action plan, the report and responses to the recommendations are checked, the report finalised and issued to the relevant Chief Officer and Manager.

- The audit report will provide an overall assurance opinion, based on the auditor’s professional judgement of the effectiveness of the framework of internal control, risk management and governance.
- The Governance and Audit Committee will be advised of the outcome of the audits including audit opinion and the number and priority of recommendations made.
- The Governance and Audit Committee will be advised of the key issues identified in all *Limited Assurance and No Assurance* audit opinion audits.
- Any serious issues arising during the course of the audit review will be promptly reported to the Head of Internal Audit to determine the impact on the scope of the review. Serious issues will also be promptly brought to Senior Management’s attention to enable appropriate remedial action to be taken prior to being formally published in the audit report.

12.3 The audit assurance categories are :

AUDIT ASSURANCE CATEGORY CODE	
<b>Substantial</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable</b>	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
<b>Limited</b>	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
<b>No Assurance</b>	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

12.4 As stated a Management Action Plan will form an integral part of the report and will be used to record:

- Those risks considered to be inadequately controlled;
- A prioritisation of audit recommendations and the actions management propose to bring the risks within acceptable parameters, the officer(s) responsible for those actions and the dates for completion.

12.5 Audit recommendations will be prioritised as follows :

RECOMMENDATION CATEGORISATION	
Risk may be viewed as the chance, or probability, of one or more of the organisation's objectives not being met. It refers both to unwanted outcomes which might arise, and to the potential failure to realise desired results. The criticality of each recommendation is as follows:	
<b>High Priority</b>	Action that is considered imperative to ensure that the organisation is not exposed to high risks.
<b>Medium Priority</b>	Action that is considered necessary to avoid exposure to significant risks.
<b>Low Priority</b>	Action that is considered desirable and should result in enhanced control.

- 12.6 The implementation of the agreed recommendations will be monitored. Management will be contacted and asked to provide feedback on the status of each agreed recommendation once the target date for implementation has been reached.
- 12.7 Any audits concluded with a *No Assurance* or *Limited Assurance* opinion will be subject to a follow up audit.

### 13. Follow Up Reviews

- 13.1 Where significant gaps in the control environment have been identified and where either *Limited* or *No Assurance* has been given; then these audits will be subject to a follow up. The timing of the follow up is very much dependent on the implementation of the recommendations and available resources, but Internal Audit's aim will always be to complete the follow up within six months of completion of the finalised audit.

### 14. Reports to the Governance & Audit Committee

- 14.1 A status report on internal audit work will be presented to the Governance & Audit Committee on a quarterly basis. The purpose of these reports is to provide an update on the progress made against the delivery of the Internal Audit Plan. The report will provide details of audits completed to date, the assurance opinions given and the number and type of recommendations made.

### 15. Annual Assurance Report

- 15.1 A formal annual report to the Governance & Audit Committee presenting the Head of Internal Audit's opinion on the overall adequacy and effectiveness of the framework of governance, risk management and internal control, will be published to enable it to be considered when preparing the Council's Annual Governance Statement. The format of the Head of Internal Audit's report will follow that set out in the Global Internal Audit Standards (GIAS) and will include:

- An opinion on the overall adequacy and effectiveness of the Council's framework of internal control, risk management and governance,
- Disclose any qualifications to that opinion, together with the reasons for qualification;
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies;
- Any issues considered by the Head of Audit to be particularly relevant to the Annual Governance Statement;
- A comparison of work undertaken with that planned, with a summary of internal audit performance for the year; and comment on compliance with the Global Internal Audit Standards and Internal Audit's Quality Assurance and Improvement Programme.

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**Bridgend County Borough Council - Internal Audit Plan 2026/27**

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	Directorate	Area	Audit Scope / Risk
1	Cross - Cutting	Limited Assurance Reports - Follow up	To ensure that improvements have been made to the control environment since the previous <i>Limited Assurance</i> review.
2	Cross Cutting	Good Governance	To provide assurance that key Corporate Governance processes are in place within the Council and that these are operating effectively to enable the Council to be provided with sufficient information to enable them to discharge their responsibilities.
3	Cross Cutting	Safeguarding	The objectives of the audit are to undertake an assessment of the Council's overall operating model for safeguarding to evaluate safeguarding performance. The review will include the safeguarding arrangements in place for vulnerable adults as well as children.
4	Cross Cutting	Risk Management	Review a sample of corporate risks to identify if they are being appropriately managed and progress is being reported accurately.
5	Cross Cutting	Annual Self-Assessment	To provide assurance that the process in place for compiling, evaluating, consulting and reporting the Council's Annual Self Assessment is compliant with the appropriate legislation
6	Cross Cutting	Grant Certification Work	Under the conditions of the specific grant determination, the Head of Audit must certify that the conditions of the grant have been complied with.
7	Cross Cutting	Business Support	To provide assurance that procedures and processes are robust, efficient and effective and comply with all required legislative requirements
8	Cross Cutting	Fuel Cards	Provide assurance that there are robust processes in place in relation to the management and administration of fuel cards
9	Cross Cutting	Information Governance	To provide assurance that robust arrangements are in place for managing information securely, legally and effectively.
10	Chief Executives	Key Financial Systems	A rolling programme of audits is adopted for material systems whereby the work programme for each year will differ.
11	Chief Executives	Financial Management Code	To provide assurance that the information presented is accurate
12	Chief Executives	ICT Audit	In consultation with ICT, systems reviews will be undertaken across Directorates to ensure robust controls are evident and operating effectively in order to minimise the threat of cyber crime
13	Chief Executives	Cyber Security Governance	To provide assurance that the governance arrangements within the Council are effective and efficient and compliant to any relevant legislation
14	Chief Executives	Safer Recruitment	To provide assurances that safer recruitment is operating effectively across the council by ensuring that policies and procedures are in place and that, DBS, reference checks or risk assessments are in place prior to employment commencement.
15	Chief Executives	Community Safety	To provide assurance that CCTV policies, processes, and operational controls are compliant with relevant legislation and regulatory requirements, ensuring secure handling of data and that Governance Arrangements including governance structures and inter-agency arrangements for CCTV are clearly defined and effective.
16	Chief Executives	Customer Services	To undertake a review of the Council's customer care / CRM system to provide assurance that the arrangements for the management of information, system input and process are efficient and effective
17	Chief Executives	Hybrid Council Meetings	The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Hybrid Council Meetings.

	Directorate	Area	Audit Scope / Risk
18	Chief Executives	Temporary Housing Solutions	The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Temporary Housing Solutions.
19	Chief Executives	Freedom of Information Requests	To provide assurance that the process in place is effective, efficient and compliant to legislation
20	Communities	Coychurch Crematorium	A compliance review to complete the Annual Accounting Statement 2025/26
21	Communities	Porthcawl Harbour	A compliance review to complete the Annual Accounting Statement 2025/26
22	Communities	Net Zero	To provide assurance that the process in place for measuring and reporting the Council's carbon footprint is accurate, efficient and effective.
23	Communities	Highways	To review systems, processes and commissioning arrangements to ensure compliance to legislation and assurance the processes and procedures are efficient and effective
24	Communities	Parks & Playing Field Ground Maintenance	The purpose of the audit is to provide assurance on the adequacy and effectiveness of the internal control, governance and risk management arrangements in respect of Grounds Maintenance.
25	Education, Early Years & Young People	Schools	To undertake a number of school based reviews as well as cross cutting thematic reviews in accordance with the Internal Audit risk based assessment.
26	Education, Early Years & Young People	School Summary inc. CRSA	To undertake the annual controlled risk self – assessment for schools. The aim of the process is to enable Head Teachers to review their internal controls and to ensure that they undertake and comply with the requirements of current legislation and the Financial Procedure Rules.
27	Education, Early Years & Young People	Cyber Security in Schools	To provide assurance that the Council is taking suitable steps to establish whether its schools have the appropriate safeguards in place to protect against cyber-attacks.
28	Education, Early Years & Young People	Additional Learning Needs - Out of County Placements	To review the contract monitoring arrangements in respect of out of county placements for additional learning needs to provide assurance that the systems are efficient and effective
29	Education, Early Years & Young People	ALN Transport	To provide an opinion on the adequacy and effectiveness of controls in respect of ALN eligibility for free home to school transport, monitoring of the personal transport budget and general contract monitoring.
30	Social Services & Wellbeing	Assisted Travel	Provide assurance that transport contracts and 'in house' transport is compliant, economic and efficient
31	Social Services & Wellbeing	Section 117	To seek assurance that processes are adhered to in respect of policies and procedures, case management and agreed funding arrangements between LA and Health.
32	Social Services & Wellbeing	Residential Care	To provide assurance that the processes and procedures in place to manage top ups is effective and efficient and complies to the relevant legislation
33	Social Services & Wellbeing	Continuing Health Care	To provide assurance that the funding process is effective and efficient and compliant to relevant legislation
34	Social Services & Wellbeing	Section 28A Payments	To review the funding under Section 28A to provide assurance on the processes in place in respect of the transactions, agreements and sign offs.
35	Social Services & Wellbeing	New Social Care Record System	To provide assurance on governance and decision making around the project whilst implementation is underway
36	Social Services & Wellbeing	External Children Placements	To provide assurance that the procurement and contract management processes are effective

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	Directorate	Area	Audit Scope / Risk
37	Internal Audit	Compliance with GIAS - Self Assessment	Review compliance with the Global Internal Audit Standards.
38	Internal Audit	Effectiveness of Governance and Audit Committee	To provide assurance that the Council's Governance and Audit Committee is effective, in line with the CIPFA Self-Assessment of Good Practice guidance
39	Internal Audit	Governance & Audit Committee /Members and CMT Reporting	This allocation covers Member reporting procedures, mainly to the Governance & Audit Committee. Regular reporting to, and meeting with, the Section 151 Officer, Corporate Management Board and the RIAS Board.
40	Internal Audit	Meetings, Advice & Guidance	To allow auditors to facilitate the provision of risk and control advice which is regularly requested by officers within the authority.
41	Internal Audit	Data Analytics	Data Analytics is proving to be a useful internal audit tool as councils become more reliant on electronic data, as data analytics enables a vast amount of data to be analysed when selecting testing samples
42	Internal Audit	Audit Wales Liaison	To maintain professional relationship in line with good practice and the GIAS
43	Internal Audit	Recommendation Monitoring	Monitoring the implementation of Internal Audit recommendations in consultation with service areas which have received these recommendations.
44	Internal Audit	Annual Opinion Report	To prepare and issue the Head of Audit's Annual Opinion Report 2025/26 and start preparation for 2026/76 report.
45	Internal Audit	Audit Planning	To prepare and monitor the annual risk based audit plan for 2026/27 and commence preparation for 2027/28 plan
46	Internal Audit	Audit Charter / Manual	To review and update the documents as required
47	Internal Audit	Closure of reports	To finalise all draft reports outstanding at the end of 2025/26
48	Internal Audit	Emerging Risks / Unplanned	To enable Audit Services to respond to provide assurance activity as required.
49	Cross - Cutting	Fraud / Error / Irregularity	National Fraud Initiative - Collection of data and analysis of matches for the NFI exercise, acting as first point of contact and providing advice and guidance to key contact officers.
50	Cross - Cutting	Fraud / Error / Irregularity	Irregularity Investigations - Reactive work where suspected irregularity has been detected.

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# Agenda Item 9

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>18 JUNE 2026</b>
<b>Report Title:</b>	<b>FORWARD WORK PROGRAMME 2026-27</b>
<b>Report Owner: Responsible Chief Officer / Cabinet Member</b>	<b>CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION</b>
<b>Responsible Officer:</b>	<b>JOANNE NORMAN ACTING DEPUTY HEAD OF FINANCE</b>
<b>Policy Framework and Procedure Rules:</b>	There is no impact on the policy framework and procedure rules.
<b>Executive Summary:</b>	<ul style="list-style-type: none"><li>• The Governance and Audit Committee has a number of core functions and responsibilities within its remit.</li><li>• It receives a number of reports and presentations throughout the year to enable it to carry out those core functions and responsibilities effectively and to provide it with confidence in the financial governance of the Authority.</li><li>• To enable the Committee to provide this assurance and to ensure it is covering its range of responsibilities, a Forward Work Programme (FWP) is presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment as necessary.</li><li>• The updated Forward Work Programme (FWP) for 2026-27 is at Appendix A.</li><li>• Committee is requested to approve the updated FWP or request changes for future meetings.</li></ul>

## 1. Purpose of Report

1.1 The purpose of this report is to seek approval for the updated Forward Work Programme for 2026-27.

## 2. Background

2.1 The core functions of an effective Governance and Audit Committee include the responsibility to:

- review, scrutinise and issue reports and recommendations in relation to the Authority's financial affairs.
- consider the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting, governance processes, performance assessment and complaints arrangements.
- seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
- consider the effectiveness of the Council's anti-fraud and corruption arrangements.
- be satisfied that the Council's assurance statements properly reflect the risk environment and any actions required to improve it.
- oversee the work of internal audit (including the annual plan and strategy) and monitor performance.
- review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.
- receive the annual report of the Head of Internal Audit.
- consider the reports of external audit and inspection agencies, where applicable.
- ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- review and approve the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
- review and make any recommendations for change to the Council's draft self-assessment report.
- consider panel performance assessment reports into how the Council is meeting its performance requirements.

2.2 Effective Governance and Audit Committees help to raise the profile of governance, internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. They enhance public trust and confidence in the financial governance of an authority.

### **3. Current situation / proposal**

3.1 In order to assist the Committee in ensuring that due consideration is given to all aspects of their core functions the updated Forward Work Programme for 2026-27 is attached at **Appendix A**. Committee Members are asked to endorse this schedule, confirm the list of people they would like to invite for each item (if appropriate), and indicate whether any additional information or research is required.

- 3.2 Shown below are the items scheduled to be presented at the next meeting, to be held on 16 July 2026.

<b>Proposed Agenda Items – 16 July 2026</b>	
1	Governance and Audit Committee Action Record
2	Audit Wales Governance and Audit Committee Reports
3	Statement of Accounts 2025-26 (unaudited)
4	Porthcawl Harbour Return 2025-26 (unaudited)
5	Draft Annual Governance Statement
6	Treasury Management Outturn Report 2025-26
7	Corporate Fraud Report 2025-26
8	Regulatory Tracker
9	Annual Self-Assessment of the Council's Performance
10	Updated Forward Work Programme

- 3.3 The schedule of items for discussion at specific meetings may be subject to change, to take into account other items that need to be considered, and operational factors.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

#### **6. Climate Change and Nature Implications**

- 6.1 There are no climate change implications arising from this report.

#### **7. Safeguarding and Corporate Parent Implications**

- 7.1 There are no safeguarding or corporate parent implications arising from this report.

#### **8. Financial Implications**

- 8.1 There are no financial implications arising from this report.

## **9. Recommendation**

- 9.1 That the Committee considers and approves the updated Forward Work Programme for 2026-27.

### **Background documents**

None

GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME 2026-27	Frequency	16 July 2026	24 September 2026	19 November 2026	28 January 2027	22 April 2027
<b>Standing Items</b>						
Governance and Audit Committee Action Record	Each meeting	✓	✓	✓	✓	✓
Audit Wales Governance and Audit Committee Reports	Each meeting	✓	✓	✓	✓	✓
Updated Forward Work Programme	Each meeting	✓	✓	✓	✓	✓
<b>Annual Accounts</b>						
Statement of Accounts 2025-26 (unaudited)	Annually	✓				
Porthcawl Harbour Return 2025-26(unaudited)	Annually	✓				
Going Concern Assessment	Annually					
Audit Enquiries Letter	Annually					
Audit Wales Audit of Accounts Report (included with Audited Statement of Accounts Report item)	Annually		✓			
Audited Statement of Accounts (including final Annual Governance Statement)	Annually		✓			
Porthcawl Harbour Return (audit letter)	Annually		✓			
Statement of Accounts 2025-26: Lessons Learned	Annually			✓		
<b>Governance</b>						
Draft Annual Governance Statement	Annually	✓				
Half Year Review of the Annual Governance Statement	Annually			✓		
Code of Corporate Governance	Annually					✓
Audit Wales Annual Audit Plan (included in Audit Wales Governance and Audit Committee Reports item)	Annually					✓
Annual Audit Summary (included in Audit Wales Governance and Audit Committee Reports item)	Annually				✓	
<b>Internal Audit Reports</b>						
Annual Internal Audit Report 2025-26	Annually					
Internal Audit Shared Service Charter	Annually					✓
Internal Audit Annual Strategy and Audit Plan 2026-27	Annually					
Self-Assessment of the Governance and Audit Committee	Annually				✓	
Internal Audit Progress Reports	Quarterly		✓		✓	✓
Internal Audit Recommendation Monitoring Report	Quarterly		✓		✓	✓
Governance and Audit Committee Annual Report	Annually (unless revised)		✓			
<b>Treasury Management</b>						
Treasury Management Outturn Report 2025-26	Annually	✓				
Treasury Management Half Year Report 2026-27	Annually			✓		
Treasury Management Strategy 2027-28	Annually				✓	
<b>Risk Assurance</b>						
Corporate Risk Assessment	6 monthly				✓	
Corporate Risk Policy	Annually				✓	
<b>Counter Fraud</b>						
Corporate Fraud Report 2025-26	Annually	✓				
Anti-Tax Evasion Policy (to be considered April 2027, then April 2029)	Biennially					
Anti-Fraud, Bribery and Corruption Policy (June 2027, then June 2029)	Biennially					
Anti-Money Laundering Policy (June 2027, then June 2029)	Biennially					
<b>Performance Related</b>						
Complaints Process	Annually			✓		
Regulatory Tracker (by exception only in January and July)	Quarterly	✓	✓		✓	✓
Annual Self-Assessment of the Council's Performance (Corporate Self-Assessment)	Annually with approach report in April	✓				✓

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