

GOVERNANCE AND AUDIT COMMITTEE - TUESDAY, 29 SEPTEMBER 2026

MINUTES OF A MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE HELD REMOTELY - VIA MICROSOFT TEAMS ON TUESDAY, 29 SEPTEMBER 2026 AT 14:00

Present - Virtually

Councillor S Griffiths

Present - Virtually

A R Berrow
RL Penhale-Thomas

RM Granville

M L Hughes

J Llewellyn-Hopkins

Present – Virtually (Lay Member)

B Olorunnisola

Apologies for absence (Lay Members):

D Austin

A Bagley

G Chapman

Declarations of Interest:

None

Officers:

Jake Morgan
Carys Lord
Kelly Watson
Joanne Norman

Chief Executive
Corporate Director – Finance and Transformation
Chief Officer - Legal, Regulatory and Electoral Services
Interim Deputy Head of Finance

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Nigel Smith
Rachel Keepins
David Williams
Lucy Herman
Andrew Wathan
Joan Davies
Rachel Keepins
Oscar Roberts
Stephen Griffiths

Group Manager - Chief Accountant
Democratic Services Manager
Audit Wales
Audit Wales
Head of Regional Internal Audit Service
Deputy Head of Regional Internal Audit Service
Democratic Services Manager
Democratic Services Officer - Committees
Democratic Services Officer - Committees

Note: Cllr S Griffiths was appointed Chairperson by the Committee due to the absence of the Chairperson and Vice Chairperson.

324. Audited Statement of Accounts 2025-26

Decision Made	The purpose of the report was to present to the Governance and Audit Committee the audited Statement of Accounts for 2025-26 for approval, which are due to be certified by the external auditors, Audit Wales, along with the associated Letter of Representation of the Council, the Annual Governance Statement included as part of the Statements, and the auditors' letter in relation to the audit of the accounts. The unaudited Statement of Accounts 2025-26 was signed by the responsible financial officer on 30 June 2026 and presented to the Governance and Audit Committee on 16 July 2026 for noting. A small number of amendments to the accounts were made after this and they are outlined in Appendix B of the report. It was noted that none of the amendments were material. It was further noted that it was the intention of the auditors to issue an unqualified audit report. The Corporate Director – Finance and Transformation observed that this year, the accounts had been completed a month early and that the Welsh Government deadline of 30 September would be met. She thanked colleagues across the Council and schools for their work in finalising their contributions. In particular, she thanked the Group Manager - Chief Accountant and his colleagues for the technical work to pull these accounts together and prepare the narratives. Also, she thanked the team at Audit Wales for the very detailed piece of audit work in respect of the accounts. The representative from Audit Wales added his thanks to officers from the Council for their cooperation
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	throughout the audit process. In response to the report, Members raised and discussed a number of issues: • The single amendment to the primary statements (3.5) in relation to the provision of Minimum Revenue Provision (MRP), in which officers identified a calculation error and brought it to the attention of Audit Wales for correction. It was noted that whilst it was not material, officers made the amendment to ensure correctness. The amendment was £0.291m. In response, the Group Manager – Chief Accountant noted that this was a technical adjustment and was a one-off issue. • The amendments to the notes to the accounts (3.6), not affecting the primary statements, and whether there were any common themes that had been highlighted previously or should be noted for the future. In response, the Group Manager – Chief Accountant commented, in particular on the issues surrounding Note 15 in respect of employee banding, and the minor classification amendment to Note 19. Further, he noted that there was not a significant number of amendments and expressed his confidence that the Council had a robust process in place to make the accounts as accurate as possible. They are also scrutinised by Audit Wales which should provide assurance to the Committee around the information disclosed therein. He also indicated the process would be discussed with colleagues across Finance to improve the process again next year. • A Lay Member questioned the accuracy of a calculation in respect of the Council's assets and liabilities on page 15 of Appendix A. The narrative indicated that the net assets of the Council had increased by £34.268 million, but the table showed a figure of £39.309 million. The Group Manager – Chief Accountant noted that the narrative needed to be revised. • The substantial increase in the Council's net worth between 2020-21 and 2022-23. The Group Manager – Chief Accountant noted that this was due to movements including an increase in Earmarked Reserves (EMR) and asset revaluations. Revaluations are non-cash movements in the value of assets and represent accounting adjustments for those revaluations. The pensions valuation historically had a significant deficit position, but this is no longer the case, and so the pensions liability has significantly reduced. • The identification of risk and risk management. A Member noted that historically, most local authorities have been risk-averse, and this was largely a consequence of having responsibility for public money. He also noted that he sensed there was an appetite to take more managed risks, particularly if the actions taken deliver better outcomes. As such, he asked firstly, what Members could expect in terms of risk identification and management, and secondly, he asked the representatives from Audit Wales whether they were satisfied that the local authority was moving in the right direction in terms of the development of its risk management, and how the Council's approach compared to the other local authorities in Wales.
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	• In response to the first question, the Corporate Director – Finance and Transformation noted that a process had been agreed to look at risk, and risk appetite in particular, with a view to reaching agreement amongst senior officers and elected members on a definition and a matrix, so that when service developments are proposed, especially in the context of the transformation agenda (which brings its own risk), Members would receive a matrix making it quite clear where it would be in terms of how much risk this would expose the local authority to and what mitigations could be put in place. The Chief Executive hoped the proposed work would add a layer of sophistication to the County Borough's approach to long-term planning. • In response to the second question, a representative from Audit Wales suggested, in terms of risk management processes and arrangements and risk appetites, that it might be a question for internal rather than external audit. Audit Wales had its own risk assessment processes based on the financial statements, but that didn't necessarily cover wider risk management arrangements across services and across the wider Council. The Head of the Regional Internal Audit Service (RIAS) noted that their work focused on a comprehensive risk of the internal controls that are in place to ensure there's appropriate governance, risk management and control in the County Borough. RIAS ensures that the system is appropriate and delivering as expected and they report accordingly. They would not report on all 22 local authorities in Wales. The Chairperson added that, in terms of the proposed work on risk, there could be benefits to looking at the way risk is managed in other local authorities. <u>RESOLVED:</u> The Committee: • Approved the audited Statement of Accounts 2025-26 (Appendix A); • Noted the appointed auditors' Audit of Accounts Report (Appendix B); • Agreed the Letter of Representation to Audit Wales and for it to be signed by the Chairperson or Vice Chairperson of the Committee and Section 151 Officer (Appendix C).
Date Decision Made	29 September 2026

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

The meeting closed at 14:34.

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