

GOVERNANCE AND AUDIT COMMITTEE - THURSDAY, 19 JUNE 2025

**MINUTES OF A MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE HELD HYBRID IN THE COUNCIL CHAMBER - CIVIC OFFICES,
ANGEL STREET, BRIDGEND, CF31 4WB ON THURSDAY, 19 JUNE 2025 AT 10:00**

Present

G Chapman – Chairperson (Lay Member – Present Virtually)

C Davies

S Easterbrook

M L Hughes

RM Granville

Present Virtually

MJ Williams

S J Griffiths

O Clatworthy

RL Penhale-Thomas

Lay Members – Present Virtually

D Austin

A Bagley

B Olorunnisola

Attendee:

P Davies

Apologies for Absence

None

Declarations of Interest

None

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Officers:

Carys Lord	Chief Officer - Finance, Housing & Change
Janine Nightingale	Corporate Director - Communities
Kelly Watson	Chief Officer - Legal & Regulatory Services, HR & Corporate Policy
Deborah Exton	Deputy Head of Finance
Nigel Smith	Group Manager - Chief Accountant
Rachel Keepins	Democratic Services Manager
Simon Roberts	Senior Fraud Investigator
David Williams	Audit Wales
Andrew Wathan	Head of Regional Internal Audit Service
Joan Davies	Deputy Head of Regional Internal Audit Service
Martin Morgans	Interim Head of Operations - Community Services
Philip O'Brien	Digital Transformation and Customer Services Manager
Stephen Griffiths	Interim Scrutiny Officer
Nimi Chandrasena	Democratic Services Officer - Support

218. Election of a Chairperson

Decision Made	<u>RESOLVED:</u> G Chapman was elected Chairperson.
Date Decision Made	19 June 2025

219. Election of Vice-Chairperson

Decision Made	<u>RESOLVED:</u> A Bagley was elected Vice-chairperson.
Date Decision Made	19 June 2025

220. Approval of Minutes

Decision Made	The Minutes of the meeting on 24 April 2025 were approved as a true and accurate record.
Date Decision Made	19 June 2025

221. Governance and Audit Committee Action Record

Decision Made	The purpose of this report was to provide Members with an update on the Governance and Audit Committee Action Record. The Corporate Director - Communities attended the meeting to answer questions and respond to specific issues highlighted in Appendix A. In response to the report, Members raised and discussed a number of issues: • The Wales Penalty Processing Partnership (WPPP). A Member indicated that it was reassuring that the partnership provided value for money for its members but asked if it might be possible to be provided with a matrix, from a fees and revenue perspective, which showed our standing relative to other members of the consortium. The Chair added that he was grateful to Scrutiny for looking into this issue but thought that the service should be market-tested, given that it is fourteen years since that last happened. Only then would the Council have a benchmark that made it possible to definitively conclude that the service provided value for money. • That there was a need to clarify the issues around parking enforcement and the parking strategy in a short paper for Members. • That there was a need to clarify the workings (including the composition of the Board and the distribution of its minutes) of Porthcawl Harbour (and Marina) in a short paper for Members. • That Members would appreciate receiving, irrespective of the on-going fleet review, an indication of when the recommendations in respect of Home to Work Mileage in Council Vehicles would be fully implemented.
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	<u>RESOLVED:</u> The Committee noted the Action Record and provided comments, as appropriate. The Committee requested that three short reports be submitted to the next meeting on 17 July clarifying the status of all outstanding recommendations, and providing the additional information requested during the discussion, in respect of the following issues: • Home to Work Mileage in Council Vehicles. • Parking Enforcement (and Strategy). • Porthcawl Harbour (including the workings of the Board).
Date Decision Made	19 June 2025

222. Going Concern Assessment

Decision Made	This report informed the Committee of the Section 151 (s151) Officer's (Chief Officer – Finance, Housing and Change) assessment of the Council as a 'Going Concern' for the purposes of producing the 2024-25 Statement of Accounts. In response to the report, Members discussed a couple of issues, including the following: • That the overall outturn at 31st March 2025 was a net under spend. In response, the Chief Officer - Finance, Housing & Change indicated that a comprehensive report on the Revenue Budget Outturn 2024-25 would be considered by Cabinet on 24 June 2025 and by Council the next day. • Whether school balances formed part of considerations about the Council as a 'Going Concern' for the purposes of producing the 2024-25 Statement of Accounts. In response, the Group Manager - Chief Accountant indicated that was the case. <u>RESOLVED:</u> The Governance and Audit Committee accepted the outcome of the assessment of the Council's going concern status for the purpose of preparing the 2024-25 Statement of Accounts.
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Date Decision Made	19 June 2025
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223. Audit Wales' 'Audit Enquiries to Those Charged with Governance and Management' for the 2024-25 Audit

Decision Made	This report provided the Committee with Audit Wales' 'Audit enquiries to those charged with governance and management' letter, which asks a number of questions in respect of the Council's governance arrangements for completion by 30 June 2025. The letter is attached at Appendix A and the Governance and Audit Committee are asked to consider and confirm the responses and approve its return to Audit Wales. In response to the report, Members discussed a number of issues, including the following: • That 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. A Member asked if an indication could be provided as to how much work would be involved and what the likely timetable was for the work to be completed to implement a specific asset management system for the future. In response, the Group Manager - Chief Accountant indicated that it was hoped the project would make progress during 2025/26, but it would not be a quick solution. • The Chair requested more information as to whether the project had been fully costed in the forward budget and whether monies had been set aside to finance it. In response, the Deputy Head of Finance indicated that some funding was available as part of the Digital Transformation earmarked reserves, but the financing of the project would need to be considered in full once a decision had been made as to which system to purchase. • A Member requested more information about the purchase of a shipping container which did not arrive. The Council paid 50% upfront. This was identified as a fraud and a request for the final 50% payment was rejected. In response, the Group Manager - Chief Accountant indicated that the payment had gone through the normal system and that efforts to contact the company to recover the amount paid had been unsuccessful. The Chair noted that it would be useful to know why the Council had sought to purchase a shipping container. • A Lay Member asked if the payment in advance had been made without s151 Officer approval, and if so whether a disciplinary process had taken place for a breach of process or policy. In response,
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	the Group Manager – Chief Accountant indicated that the payment had been made without approval. The Chief Officer - Finance, Housing & Change indicated that the matter needed to be looked into in detail. The Chair noted that if it was a one-off then so be it but that Internal Audit were available to take a closer look if there was a more general problem. • A Member noted that generally, it was not possible for an individual officer to act alone but asked how Council Policies and procedures such as Anti-Fraud and Bribery Policy, Money Laundering Policy, Anti-Tax Evasion Policy, and the Fraud Strategy and Framework were disseminated. In response, the Group Manager – Chief Accountant indicated that there are eLearning modules on fraud and there was a general expectation that relevant staff would regularly refresh their knowledge of the Council's policies and procedures. The Chair followed this up by requesting that an email be sent to all staff to request that they update their knowledge of fraud and that there were consequences for not following processes and procedures. In response, the Chief Officer - Finance, Housing & Change noted that an email had been sent recently but that officers would follow up the Committee's request. <u>RESOLVED:</u> The Committee: • agreed the responses to Audit Wales' 'Audit enquiries to those charged with governance and management' letter as attached at Appendix A; and, • noted 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.
Date Decision Made	19 June 2025

224. Annual Internal Audit Report 2024-25

Decision Made	The purpose of this report was 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 2024-25 financial year.
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	In response to the report, Members raised a number of issues, including the following: • That the report outlined a number of issues at two schools: Penybont Primary and Maesteg. In response, the Chair indicated that it would be appropriate to seek assurance from the Corporate Director - Education, Early Years & Young People that the issues are being addressed. The Head of the Regional Internal Audit Service (RIAS) indicated that where there were limited opinions, a process was in place that provided the service provider (the Headteacher, on this occasion) with an opportunity to put things right ahead of a follow-up audit that would hopefully confirm a positive outcome, and that if there were any outstanding issues, these would be reported back to the Governance and Audit Committee in due course. Another Member indicated that the audit processes had identified the issues, and this demonstrated the value and worth of the service. • A Member noted that the new partnership arrangements for the regional audit service seemed to be working well despite the departure of Rhondda Cynon Taff Council but wondered if there had been any consequences in the cost overheads. In response, the Head of RIAS indicated that approximately 93% of costs were staff-related and that in terms of management, there used to be the Head of the service and two audit managers dealing with four organisations, now there was the Head and one audit manager dealing with three. Overhead costs were marginal but reported to the Board (consisting of the three relevant s151 officers). • Another Member congratulated the team for the excellent service they provided for the three local authorities. In response, the Chair proposed that officers explore whether there were awards for which RIAS could be nominated for, to give them national recognition. • The Chair asked that the Chief Officer - Finance, Housing & Change to send the relevant documents, concerned with Home to Work Mileage in Council Vehicles, Parking Enforcement/ Strategy and Porthcawl Harbour Annual Return, to the Corporate Director – Communities so that she could see what has prompted the Committee's action in respect of these issues. In response, the Chief Officer - Finance, Housing & Change indicated that she would liaise with RIAS to ensure absolute clarity about the work that has been done and whether there are any outstanding actions ahead of the next meeting of the Committee on 17 July. <u>RESOLVED:</u> The Committee considered and noted the Annual Internal Audit Report for the 2024-25 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. The Corporate Director - Education, Early Years & Young People was asked to provide a written report to
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	the next meeting of the Committee on 17 July that responds to the actions identified in the internal audit and outlined in the Annual Internal Audit Report 2024/25 in respect of Penybont Primary School and Maesteg School.
Date Decision Made	19 June 2025

225. Internal Audit Strategy & Risk Based Plan 2025-26

Decision Made	The purpose of this report was to provide Members of the Governance and Audit Committee with the Annual Internal Audit Strategy and Risk Based Plan for 2025-26 for approval. In response to the report, Members discussed a couple of issues, including the following: • A Lay Member noted that it might be useful for the committee to see the high priority audits and the number of days allocated against them. In response, the Deputy Head of RIAS noted that although there was a more detailed plan behind what is in the report, all those outlined are high priority and equally important in terms of undertaking them in 2025/26. • A Member asked if the outstanding audits from 2024/25 have been carried over to 2025/26. The Deputy Head of RIAS confirmed that was the case, and in response to a follow up question by a Lay Member that they were carried over because they remained a high priority. In the past, some outstanding audits had not been carried over because they were no longer considered to be high priority. <u>RESOLVED:</u> The Committee considered and approved the draft Internal Audit Strategy (Appendix A) and draft Annual Risk Based Audit Plan for 2025-26 (Appendix B).
Date Decision Made	19 June 2025

226. Regional Internal Audit Service Charter 2025-26

Decision Made	The purpose of this report was to present to Members of the Governance and Audit Committee the Regional Internal Audit Service Charter for 2025-26 attached at Appendix A for approval. In response to the report, a Member asked about the reception the team received when they met managers in different service areas and given that different service areas measure their performance and delivery in different ways, whether there was a lack of consistency across the Council. As a result, he wondered if there should be more training across the Council about the audit process. In response, the Head of RIAS indicated that it was difficult to respond as they audit different service areas every year. Their aim was to ensure the audit process was consistent. He did acknowledge that that there was a perception of internal audit that could be negative and that the team had worked hard to raise their profile positively, and that attending Corporate Management Board (CMB) and meeting Directors individually had contributed to that effort. <u>RESOLVED:</u> Members of the Governance and Audit Committee considered and approved the Regional Internal Audit Service Charter for 2025-26 as attached at Appendix A to the report.
Date Decision Made	19 June 2025

227. Anti-Fraud, Bribery and Corruption Policy

Decision Made	The purpose of the report was to present to the Governance and Audit Committee the updated Anti-Fraud, Bribery and Corruption Policy for review and comment, prior to submission to Cabinet for approval. In response to the report, Members discussed a couple of issues, including the following: • That all Members could benefit from a training event that updated their knowledge of all these policy areas. In response, it was noted that a training session on fraud awareness, anti-tax evasion and money laundering was in the process of being organised for September 2025. The Lay Members would also be invited to attend the session. • That the new paragraph inserted did not follow with what was above it and that para. 2.3 needs to be amended accordingly.
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	• That the policy document should outline examples of what could happen to those who defraud the Council, or who are corrupt, where there has been financial malpractice (4.7). Likewise, the document would benefit from some examples of the potential steps, proportionate to what has taken place, which could be taken by the Council to recover any losses arising as a result of fraud. • In respect of the Council's culture (Section 4) of honesty and zero tolerance to fraud and corruption, it was necessary, through training and awareness-raising, to ensure that all the individuals, businesses and organisations seeking to do business with the Council are considered through a 'fraud prism' when it comes to making decisions about whether to spend public money or not. In response, it was noted that this was very valid and that as part of awareness-raising, all the updated policies and the relationships between them would be outlined in staff and Member bulletins. • That all senior managers should have to take training in these policy areas. In response, it was noted that the Corporate Management Board (CMB) was considering what training should be mandatory, and that this area would be included on the list of areas to be considered. • That there was a need to clarify whether all external contractors should have to comply with all our policies and procedures as part of the terms and conditions for doing business with the Council, or whether it was only possible to require compliance with those that are backed by legislation. • That the policy needed to state explicitly that it covers Lay Members as well as elected Members. • That the document should refer to the 'Governance and Audit Committee' and not just the 'Audit Committee' (8.2). <u>RESOLVED:</u> The Committee considered the updated Anti-Fraud, Bribery and Corruption Policy at Appendix A and noted that, subject to the amendments requested by the Committee, the revised Policy at Appendix B would be presented to Cabinet for approval.
Date Decision Made	19 June 2025

228. Anti-Money Laundering Policy Review

Decision Made	The purpose of this report was to present the updated Anti-Money Laundering Policy to the Governance
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	and Audit Committee for review and comment, prior to the Policy being presented to Cabinet for approval. In response to the report, a Member raised the issue of whether this policy would be considered by CMB, alongside the other policy documents considered by the committee at this meeting and the last one in April, as part of the list of subjects for mandatory training. In response, it was noted that it would be considered alongside the other policy areas and could also form part of a seminar covering all the policy areas for all senior managers. <u>RESOLVED:</u> The Committee considered the amendments to the Anti-Money Laundering Policy at Appendix A and noted that the amended Policy attached at Appendix B would be presented to Cabinet for approval.
Date Decision Made	19 June 2025

229. Corporate Complaints and Compliments

Decision Made	The purpose of this report was to provide a further update to the Governance and Audit Committee on the current complaints handling process and a proposal on the way all corporate complaints and compliments will be monitored, recorded and reported going forward. In response to the report, Members discussed a number of issues, including the following: • That it was vital that the document included an overall completion date and milestones for the project. In response, it was noted that the project plan would be considered again and that reasonable dates would be included. It was vital that, given the complexity of identifying service needs in terms of corporate complaints, those in education and social services, that managers did not ‘over-promise and under-deliver’ in drawing up a workable project plan. • Whether consideration had been given at the outset of the project to phasing its development in manageable and deliverable parts. • It was also necessary to consider how much of a priority the project is relative to all the competing corporate demands on resources and time in the Council.
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	<u>RESOLVED:</u> The Committee noted the update on the corporate complaints and compliment process and digital solution.
Date Decision Made	19 June 2025

230. Forward Work Programme 2025-26

Decision Made	The purpose of this report was to seek approval for the updated Forward Work Programme for 2025-26. <u>RESOLVED:</u> The Committee considered and approved the updated Forward Work Programme for 2025-26, subject to the following amendments in respect of the next meeting on 17 July 2025: • A report by the Corporate Director - Education, Early Years & Young People on how the issues identified by RIAS at two schools, Penybont Primary and Maesteg, are being addressed. • Three reports by the Corporate Director – Communities on Home to Work Mileage in Council Vehicles, Parking Enforcement (and Strategy), and Porthcawl Harbour (including the workings of the Board).
Date Decision Made	19 June 2025

231. Urgent Items

Decision Made	None
Date Decision Made	19 June 2025

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

The meeting closed at 13:11.