

GOVERNANCE AND AUDIT COMMITTEE - THURSDAY, 29 JANUARY 2026

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, 29 JANUARY 2026 AT 10:00 AND RECONVENED REMOTELY ON 2 FEBRUARY 2026 AT 14:00

Present

G Chapman – Chairperson (Lay Member)

S Easterbrook

O Clatworthy

M L Hughes

Lay Members - Present

A Bagley

Present Virtually

C Davies – 2 February
MJ Williams

RM Granville

S J Griffiths

RL Penhale-Thomas

Lay Members - Present Virtually

D Austin

A Bagley – 2 February

B Olorunnisola

Apologies for Absence

C Davies – 29 January
RL Penhale-Thomas – 2 February

Declarations of Interest

None

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Officers:

Jake Morgan	Chief Executive
Carys Lord	Chief Officer - Finance, Housing & Change
Janine Nightingale	Corporate Director - Communities
Jonathan Parsons	Group Manager Development
Deborah Exton	Deputy Head of Finance
Nigel Smith	Group Manager - Chief Accountant
Andrew Wathan	Head of Regional Internal Audit Service
Joan Davies	Deputy Head of Regional Internal Audit Service
Rachel Keepins	Democratic Services Manager
Alex Rawlin	Corporate Policy & Performance Manager
Kate Pask	Corporate Performance Manager
David Williams	Audit Wales
Samantha Clements	Audit Wales
Jemma Trivett	Audit Wales
Allison Rees	Audit Wales
Bethan Hopkins	Audit Wales
Stephen Griffiths	Interim Scrutiny Officer/ Democratic Services Officer - Committees
Michael Pitman	Technical Support Officer – Democratic Services

273. Approval of Minutes

Decision Made	<u>RESOLVED:</u> The Minutes of the meeting on 27 November 2025 were approved as a true and accurate record.
Date Decision Made	29 January 2026

274. Governance and Audit Committee Action Record

Decision Made	The purpose of the report was to provide Members with an update on the Governance and Audit Committee Action Record. In response to the report, the following issues were raised:
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	• There was a need for an update on the investigation into the purchase of a shipping container. In response, the Chief Officer - Finance, Housing & Change indicated that she would circulate a written note to Members outlining the findings. To reassure the Committee, she did not think there had been deliberate fraud, but that some officers needed training to update their knowledge of procurement processes. The Chair requested that a short report could be prepared for the next meeting of the Committee. • The Corporate Director – Communities outlined the timetable for the production of the requested report on Porthcawl Harbour. She noted that the annual report on Porthcawl Harbour would be submitted to Cabinet in March and that, once approved, it could then be submitted to the next scheduled meeting of the Committee. <u>RESOLVED:</u> The Committee noted the Action Record and provided comments, as appropriate.
Date Decision Made	29 January 2026

275. Audit Wales Governance and Audit Committee Reports

Decision Made	The purpose of the report was to submit to the Committee two reports from Audit Wales: • Review of Risk Management – Bridgend County Borough Council - (Appendix A) – Audit Wales looked at whether the Council's risk management arrangements support it to effectively manage the risks which could prevent it from achieving its strategic objectives. The Council's Management Response Form was attached at Appendix B. • Planning and Development Service – Bridgend County Borough Council – (Appendix C) – Audit Wales looked at whether Bridgend County Borough Council supports the Planning and Development Service to deliver value for money in the use of its resources. The Council's Management Response Form was attached at Appendix D. In response to the first report, Review of Risk Management – Bridgend County Borough Council, members discussed the following issues: • The Chair asked if Audit Wales were content where, in the management response, a couple of the recommendations were only partially accepted. In response, a representative from Audit Wales indicated that they were broadly satisfied. The Chief Officer - Finance, Housing & Change made it clear that the findings in
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	the report had been accepted and that the Council was on a journey as far as risk management was concerned. As part of that journey, she indicated there was a related updated policy later on the agenda. The Chief Executive added that risk management had been an area that was under-resourced, and that was being addressed. • Members expressed concerns about the content of the report, and it was suggested that the Committee should receive regular updates about the implementation of changes in respect of risk management. • A Member expressed the view that the Council, led by the Leader and the new Chief Executive seemed to be moving towards a less risk-averse position but that would require clarity about the ownership of risks, and the proper resourcing of risk management. He hoped that the Cabinet was cognisant of that. • In response to a question about the identification of good practice in this area, the representative from Audit Wales noted that they had not conducted reviews of risk management in Councils across Wales so were not in a position to signpost good practice. However, there was an all-Wales risk management group, and this would enable a more open and transparent relationship between colleagues working in this area. • The Chief Executive noted that there had been a lack of capacity in terms of the Council's ability to manage complex change projects and that, as part of the transformation agenda, that was being addressed. • A Member expressed concern about whether the Council was in a financial position to do what had been outlined quickly, given the budget process was almost complete for this year. He noted that the Council had taken a very sharp scalpel to the central functions in the last couple of years. There was a policy of protecting frontline services, but that had hamstrung the Council in terms of back-office functions like change, project and risk management, and especially development control, which he noted were the invisible engines which enabled the rest of the organisation to move forward. • A Lay Member asked for a register of policies with their due dates so that Members would know when policies were due for renewal. The Chair requested that that was left for officers to discuss and then report back to Members in due course. • A Member noted that whilst the tools and resources to do the job of risk management were important, the key task was to embed a risk management culture across the organisation. • The Chief Officer - Finance, Housing & Change noted that there was a need to establish what the Council's appetite for risk was and then to ensure that that was built into all future plans, whether it was about the budget, service development, or around the capital programme. • A Member asked what difference residents would notice as a result of the report. The Chief Officer - Finance, Housing & Change indicated that the focus had been on revising the risk management policy and raising awareness in the Council so that risk became a part of the culture. • There was a need to raise awareness and understanding of risk amongst the Members so that they leave meetings with assurance that risks are being managed properly. • The Chair made it clear that the report did not conclude that there was no risk management structure within the Council. Audit Wales indicated that it needed to be strengthened and there was a need for an improvement
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	process. He noted that the Committee had received an assurance from the Chief Executive and the Chief Officer - Finance, Housing & Change that that would be delivered. He requested that officers report back to the Committee on the key milestones as appropriate. In response to the second report, Planning and Development Service – Bridgend County Borough Council, Members discussed the following: • A Member noted that Audit Wales had stated that the Council had a limited understanding of the importance of the planning and development service with weaknesses in how resources, risk and performance were managed and that the service lacked a service plan and proper oversight. • A Member thought the Council had been careless with the planning service. He highlighted a section of the Audit Wales report that found limited evidence of any public committee receiving information on the performance of the service and there was insufficient awareness, oversight and scrutiny of the service, even though it was an essential enabler for the delivery of the council's ambitions. He suggested that a new governance model was needed and that oversight of this topic needed to be a major item on the Committee's Forward Work Programme. • The Chair concurred and suggested that the Corporate Director – Communities could report back on the progress made against the recommendations and in particular, in respect of the reporting mechanisms. He also noted that this issue tied in well with the risk management work discussed earlier in the meeting. • The Chief Executive noted that the Council had passed one of the most ambitious Land Development Plans (LDP) and then did not increase the planning resource to go alongside it. That was a failure of risk management. He had not seen any evidence of a cultural problem in planning about not wanting to change. The Council had to resource the service, provide them with strategic oversight, and then have the systems that monitor and hold them to account through the process. He added that he was encouraged by the service leadership taking the initiative to get trained in the use of Artificial Intelligence (AI), and by their resilience. <u>RESOLVED:</u> The Committee noted the Audit Wales Governance and Audit Committee Reports at Appendix A and Appendix C, along with the Council's Management Response Forms to the reports at Appendix B and Appendix D.
Date Decision Made	29 January 2026

276. Treasury Management Strategy 2026-27

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Decision Made	The purpose of the report was to present to the Committee the draft Treasury Management Strategy 2026-27 (Appendix A), which included the: • Borrowing Strategy 2026-27. • Treasury Investment Strategy 2026-27. • Treasury Management Indicators for the period 2026-27 to 2028-29. In response to the report, Members discussed the following: • The Council's debt and its potential role in supporting the ambitions of the Council, the debt profile of the Council, and the possible revenue implications of debt and the relationship with Council Tax. • In respect of a specific point about the amount of interest paid on the Council's debt, the Chief Officer - Finance, Housing & Change indicated that this was reported regularly as part of the quarterly Treasury management reports that went to Cabinet and the six-month report that went to Council, but she was happy to share it with the whole Committee. She also reminded Members that private briefings and meetings were available to Members to discuss all aspects of the Council's finances. • A Member raised issues around governance and accountability within the Treasury Management report and the potential implications of the weaknesses and areas for development in the Audit Wales Review of Risk Management report considered earlier in the meeting. In response, the Chief Officer - Finance, Housing & Change noted that, as the Council completed its risk review, Treasury Management would be included and future reports would need to include more information (especially in respect of service needs and benefits) about the consequences of some of the risks that would be taken if, for example, the Council became an authority that borrowed more in the future. • A Member and the Group Manager - Chief Accountant discussed the possibility of issuing bonds and similar instruments in order to lower interest costs and reduce over-reliance on one source of funding. • A Member asked if consideration had been given to using unused funds, identified as a result of delays in initiating or managing capital projects to invest in other 'spend to save' projects to get a better rate of return than more traditional investments. In response, the Chief Officer - Finance, Housing & Change noted that the Council's appetite to invest in 'spend to save' projects was far stronger than it was a while ago, and they could have a positive impact on the revenue account. In respect of the capital programme, once schemes were fully funded, even if the scheme did not deliver as per profile in any given year there remained a need to ensure that that money was still available. • The Chair noted that, if the Treasury Management policy changed as a result of the consideration being given to the Review of Risk Management report, then that would be reported to the Governance and Audit Committee.
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	<u>RESOLVED:</u> The Committee: • Considered the draft Treasury Management Strategy for 2026-27 (Appendix A); and • Recommended that the final updated Treasury Management Strategy, reflecting the latest financial information available be presented to Cabinet on 17 February and then Council for approval on 25 February 2026.
Date Decision Made	29 January 2026

277. Statement of Accounts 2024-25: Lessons Learned

Decision Made	The purpose of the report was to present to the Committee the lessons learned following the completion of the audit of the 2024-25 Statement of Accounts. <u>RESOLVED:</u> The Committee noted the report.
Date Decision Made	29 January 2026

278. Panel Performance Assessment

Decision Made	The purpose of the report was to present the Committee with the Council's draft response to the recommendations of the Panel Performance Assessment that took place between 16-19 September 2025, for consideration. In introducing the draft report and providing a comprehensive overview of the issues discussed within it, the Chief Executive noted that it was a dynamic plan that had been updated to provide as far as possible the latest position. In response to the report, members discussed the following: • A Member noted that the findings of the report were not an enormous surprise, nor did he think the recommendations and the responses were unfair or unmeasured. He welcomed the grown-up, sensible political discussion around the report and thought the response had cross-party support, especially in respect
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	of the need for strategic investment in members of staff. • A Lay Member raised two points about the plan: firstly, he noted that it was worth thinking about a communications strategy and plan when an organisation was being asked to go on a journey involving a cultural shift; and secondly, he stressed the importance of leadership development. He acknowledged the importance of the leadership programme but wanted to know more about how the organisation would know it was making a difference and having an impact. In response, the Chief Executive noted the importance of the link between the accountability and self-evaluation processes and planning frameworks. The aim was to create something tangibly better, with more skilled leaders, with more capacity. • The Chair noted that he thought it worth including a bullet point about developing a communications strategy and thought, in respect of leadership development, that it was worth considering the fact there would be Council elections in May 2027, and if there were lots of new Members it could be easier to embed cultural change. • Another Lay Member asked about the on-going implementation and evaluation of currently agreed plans and strategies (the Digital Strategy, for example) and the approach to developing new ones as a consequence of the transformation plan. • A Member indicated there would be value in officers meeting with the different political groupings and independents to ensure a smooth transition if there were changes in administration after the Council elections. In response, the Chief Executive indicated that officers would be more than happy to respond to offer support and guidance and respond to questions and queries. A Member added that Democratic Services had set up a working group to do the work required, especially in respect of the induction of new members, in anticipation of the elections in 2027. • The Chair noted firstly that it would be helpful if the plan included a glossary of the abbreviations used to identify individuals responsible for delivering the plan; and secondly, he wondered if certain aspect of the plan to conduct self-evaluations of service areas might benefit from external, independent input. In response to the second point, the Chief Executive outlined the self-evaluation process and noted that he hoped that as different scrutiny committees considered business plans as they go forward, some of the self-reflection and self-evaluation work would feed into that work and therefore, provide Members of scrutiny committees a role in terms of following that thread between self-evaluation, risk identification and business planning. <u>RESOLVED:</u> The Committee noted and considered the Council's draft response to the recommendations of the PPA in Appendix 1.
Date Decision Made	29 January 2026

279. Corporate Risk Policy and Assessment

Decision Made	The purpose of this report was to provide the Committee with an updated Corporate Risk Assessment 2025-26 and an updated Corporate Risk Management Policy. In response to the report, members discussed the following: • A Member noted that the report painted a picture of a Council that was clearly not working as it should. In response, the Chief Officer - Finance, Housing & Change indicated that the Council was open and transparent about the risks it faced. The Council was a complex organisation, and risk could impact in many different ways. However, what the corporate risk assessment tried to do was to show that the risks are acknowledged and outline the mitigating actions that are in place to reduce and manage those risks. • The Chair noted that it was worth clarifying whether the Council was at risk of issuing a Section 114 notice, effectively declaring bankruptcy. The Chief Officer - Finance, Housing & Change responded by indicating that there was a risk in the document around the budget, but she doubted that any local authority in England or Wales would not have budget issues as a high risk on their risk assessment documents. However, the Council was nowhere near issuing a Section 114 notice. • A Member asked why firstly, the report indicated that there were no financial implications directly associated with a corporate risk assessment, when the identification of risks and the mitigations clearly have a financial element; and secondly, whether officers could look at making a stronger link between the corporate risk assessment and the reserves held by the Council. In response, the Chief Officer - Finance, Housing & Change noted, in response to the first point, that the reason that was written that way was because there was no direct allocation of money as a result of the corporate risk assessment. In regard to the second point, she accepted that there probably was a need to make a stronger link between the corporate risk assessment and what is going through in the budget. • A Lay Member noted, firstly that the distinction between a risk and an issue was an important one when considering the risk management policy; secondly, that whilst some of the actions included narrative about things that are being done there is nothing about holding people to account for specific actions, which could be used to assess if they were making a difference in reducing assigned scores. Unless those control mechanisms were reducing the score, there was not really a control; and lastly, he questioned the score assigned to the identified business continuity risk. • Linking back to the Audit Wales report, Review of Risk Management, a Member stressed the important of horizon scanning and its role in anticipating future opportunities and threats. • A Member asked which of the risks outlined in the document officers' thought were acceptable to leave unresolved after six years. In response, the Chief Officer - Finance, Housing & Change noted that there were broadly, two kinds of risks: those that arise due to the nature of the organisation and are long-term, such as the
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	budget, and the Council aimed to manage the associated risks year-on-year as necessary and appropriate; and secondly, there were risks with a time limit because they are related to specific events or particular changes, and are removed once they have been dealt with satisfactorily. • The Chair indicated that he expected to see the conclusions and recommendations outlined by Audit Wales and discussed earlier in the meeting, and the points made by Members and by the Lay Member, reflected in the development of the documents under consideration, which he hoped would be submitted to the Committee for consideration again before the end of the year. <u>RESOLVED:</u> The Committee considered: • The Corporate Risk Assessment (Appendix A); and • Agreed to the changes proposed in para 3.2 prior to submission of the Corporate Risk Assessment to Council for approval on 25 February. • Considered and approved the Council's updated Corporate Risk Management Policy at Appendix C.
Date Decision Made	2 February 2026

280. Progress Against the Internal Audit Risk Based Plan 2025-26

Decision Made	The purpose of the report was to provide Members of the Committee with a position statement on progress being made against the audit work within the approved Internal Audit Risk Based Plan 2025-26. In response to the report, a Member requested an outline of a) the process for working with officers after the submission of the draft and final audit reports; and b) what, in the interests of transparency, was shared with the public about an audit, and these were provided by the Head of Regional Internal Audit Service (RIAS). <u>RESOLVED:</u> Members noted the content of the report and the progress made against the 2025-26 Internal Audit Risk Based Plan.
Date Decision Made	2 February 2026

281. Internal Audit Recommendation Monitoring

Decision Made	This report provided Members with a position statement on the status of internal audit recommendations as of 31 December 2025. In response to the report, a Member requested an update on the recommendation in respect of the Procurement project to implement a system to easily identify supplier spend for which there is no established contract between the Council and the supplier. The Group Manager - Chief Accountant indicated that that had been a quite complex project, involving a major upgrade of the system during 2025-26. Finance was now working with Procurement to pull together quite detailed information to support the implementation, identifying all the Council's contract purchases through the finance system. In addition, officers were liaising with the service provider to provide consultancy as some further work needed to be carried out to finish the project, which he hoped would be done by April 2026. <u>RESOLVED:</u> The Committee noted the content of the report and considered the information provided in respect of the status of the high and medium priority recommendations made by RIAS. The Committee requested that RIAS refer three recommendations to the Chief Executive and the Corporate Management Board, and that written updates on progress be prepared by the identified responsible officer and submitted to Members: • Welsh Language Standards - In line with Welsh Language Standard 122 & 126 (Operational), the text of the homepage of the intranet, interface and menus must be available in Welsh and fully functional. Work is underway to ensure there is an option of a bilingual staff intranet. • Bridge Alternative Provision - Review of admission policy to consider including the process for pupil placements at The Bridge. • Consultants - A written agreement for the appointment of the consultant appointed by RCTCBC will be made between BCBC and RCT.
Date Decision Made	2 February 2026

282. 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.
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	It was noted that the next meeting is scheduled to take place during the pre-election period for the Senedd elections and officers were awaiting guidance on whether the meeting would go ahead. In response to the report, a Member urged that consideration be given to shortening the agenda for meetings. <u>RESOLVED:</u> The Committee considered and approved the updated Forward Work Programme for 2025-26 and the draft Forward Work Programme for 2026-27, subject to the following amendment: • That reports on the shipping container issue and Porthcawl Harbour be added to the agenda for the next scheduled meeting.
Date Decision Made	2 February 2026

283. Urgent Items

Decision Made	None
Date Decision Made	2 February 2026

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

The meeting closed at 13:00 on 29 January and 14:59 on 2 February 2026.