Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT 2025-26**
Report Owner: Responsible Chief Officer / Cabinet Member	**CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION**
Responsible Officer:	**CHAIR OF THE GOVERNANCE AND AUDIT COMMITTEE** **HEAD OF REGIONAL INTERNAL AUDIT SERVICE**
Policy Framework and Procedure Rules:	**The proposals in this report are in accordance with the policy framework and budget.**
Executive Summary:	• **The Governance and Audit Committee is required to approve an Annual Report for presentation to Council.** • **This report demonstrates how the Committee has met its terms of reference as per the Council's Constitution as set out by the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021.** • **The Committee has achieved this by concentrating on its core responsibilities during 2025/26.** • **Members have demonstrated that they have held senior management to account for making improvements in the governance arrangements and the control environment, challenged officers and sought clarification and progress reports to obtain the assurances required to support continued good governance.** • **The Committee had its full complement of members and lay members throughout 2025/26.** • **An Internal Audit review of the effectiveness of the Committee measured against the good practice principles set by the Chartered Institute of Public Finance and Accountancy (CIPFA), resulted in a *Reasonable Opinion*. Members of the Committee contributed to this process.**

1. Purpose of Report

1.1 The purpose of the report is for the Committee to approve the Annual Report for 2025/26 and present it to Council for them to consider whether it forms a balanced summary of the work undertaken by the Committee.

2. Background

2.1 The Council's Governance and Audit Committee has responsibility for ensuring that there are procedures in place to guarantee the adequacy and effectiveness of financial control, risk management and corporate governance arrangements.

2.2 A key component of good governance for all organisations is to have in place a Governance and Audit Committee. Bridgend County Borough Council complies with this requirement; the Terms of Reference of the Committee, as included within the Council's Constitution, are set in line with the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021. The responsibilities of the Governance and Audit Committee, as required by the above legislation, are included in Appendix 1 of the Annual Report **(Appendix A)**.

2.3 The Governance and Audit Committee are required to:

- Report to Council on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.

- Report to Council on an annual basis and to publish an annual report on the Committee's work, its performance in relation to its Terms of Reference and its effectiveness in meeting its purpose including a conclusion on compliance with Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement on audit committees.

2.4 The Local Government and Elections (Wales) Act 2021 determined that former Audit Committees would be re-named Governance and Audit Committees and from May 2022 the Chair of the Governance and Audit Committee had to be a lay member and that one third of its membership had to be lay members. Bridgend Council's Governance and Audit Committee had its full complement of lay members (x4) and elected councillors (x8) during 2025/26. The Committee held 6 meetings during the municipal year and attendance was good for all members (92%). (The meeting held on 2nd February 2026 was a follow on meeting from that held on 29th January 2026.)

2.5 The Governance and Audit Committee focused on its core responsibilities:

- Reviewing the draft financial statements;
- Scrutinising and being satisfied with the Council's Annual Governance Statement, to demonstrate how governance supports the achievement of objectives, and monitor management action in-year to further improve arrangements;

- Monitoring the Council’s internal audit function in terms of overseeing independence, objectivity, performance and professionalism, through the regular reporting of performance and finalised audit assignments;
- Considering the effectiveness of the authority’s risk management arrangements;
- Considering reports and recommendations of external audit in respect of the Council;
- Supporting the ongoing development and effectiveness of Governance and Audit Committee; and
- Ensuring compliance with legal requirements, namely the Local Government and Elections (Wales) Act 2021, in respect of overseeing the Council’s performance assessment and the arrangements for handling complaints.

2.6 Members have demonstrated that they have held senior management to account for making improvements in the governance arrangements and the control environment, challenged officers and sought clarification and progress reports to obtain the assurances required to support continued good governance.

3. Current situation / proposal

3.1 The report at **Appendix A** sets out the Governance and Audit Committee’s Annual Report for 2025/26, how it has complied with its Terms of Reference, and outlines its performance during the year.

3.2 Previously the self-assessment checklist based on the CIPFA Guidance was circulated to all members of the Committee in order to assess the existing skills, knowledge and areas of expertise of members and to identify any gaps or training requirements and the responses were included in the previous annual report.

3.3 For 2025/26 a more comprehensive audit review was undertaken to assess the effectiveness of the Council’s Governance and Audit Committee. The objective of this audit was to provide assurance that the Council’s Governance and Audit Committee (G&AC) can demonstrate its effectiveness against the good practice principles set by the Chartered Institute of Public Finance and Accountancy (CIPFA). Members were given the opportunity to comment on this report and their comments were incorporated into the final report which was presented at Governance and Audit Committee June 2026. The overall audit opinion was *Reasonable Assurance* and scored 90% compliance with CIPFA’s good practice principles.

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 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 financial implications arising from this report.

9. Recommendation

9.1 It is recommended that the Committee approve the Annual Report for 2025/26 for presentation to Council for it to determine whether it forms a balanced summary of the work undertaken by the Committee.

Background documents

None