

## GOVERNANCE AND AUDIT COMMITTEE

Minutes of a Hybrid meeting held on 15<sup>th</sup> December, 2025

The Committee agenda is available [here](#).

The recording of the meeting is available [here](#).

Present: G. Chapman (Chair and Lay Member); N. Ireland (Vice-Chair and Lay Member); Councillors B. Dodd, E. Goodjohn, M.J. Hooper, J. Protheroe and N.J. Wood; and M. Evans (Lay Member).

Also present: Councillors L. Burnett (Executive Leader and Cabinet Member for performance and Resources), C.P. Franks, G. John (Cabinet Member for Leisure, Sport and Wellbeing), E. Williams (Cabinet Member for Social Care and Health) and R. Hendicott (Observer – Standards Committee).

### 510 ANNOUNCEMENT –

Prior to the commencement of the business of the Committee, the Chair read the following statement: “May I remind everyone present that the meeting will be live streamed as well as recorded via the internet and this recording archived for future viewing”.

### 511 APOLOGY FOR ABSENCE –

This was received from Councillor G. Ball.

### 512 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 20<sup>th</sup> November, 2025 be approved as a correct record.

### 513 DECLARATIONS OF INTEREST –

No declarations of interest were received.

### 514 TREASURY MANAGEMENT MID-YEAR REPORT 2025/26 (REF) –

The reference from Cabinet of 20<sup>th</sup> November, 2025 as contained within the agenda was presented.

Having considered the report, it was

RESOLVED – T H A T the Treasury Management Mid-Year Report 2025/26 be noted.

Reason for decision

Having regard to the contents of the report and discussions at the meeting.

515 TEMPORARY ACCOMMODATION: LONG TERM CRISIS? (DCR) –

For this item the Chair welcomed Samantha Clements (Audit Wales) and the Council's Head of Housing and Building Services.

The report outlined that the Audit Wales' review of Temporary Accommodation, undertaken between September 2024 and April 2025, looked at the cost and increases in demand for temporary accommodation, as well as identifying opportunities to improve the value for money of Councils' approaches. Appendix A to the report set out a detailed audit scope and key findings of the review.

The review was undertaken to help fulfil the Auditor General's duties, specifically a programme of value for money studies aimed at improving the economy, efficiency and effectiveness of public bodies in Wales as required by Section 41 of the Public Audit (Wales) Act 2004. The review followed on from previous audits undertaken by the Auditor General for Wales of homelessness demand, Rough Sleeping and Poverty.

Audit Wales concluded that:

“Councils spend a lot of money on temporary accommodation which is often not meeting people's needs.

Councils have made limited progress with improving prevention of homelessness to achieve better outcomes and reduce costs.

There are approaches that councils could potentially use to improve the current situation.”

Three recommendations had been made in relation to the review, which were detailed in Appendix A to the report.

In response to the recommendations, the Director of Environment and Housing and the Head Housing and Building Services had developed an action plan which would be progressed by the Council. This was attached as Appendix C to the report.

The Council routinely monitored and benchmarked spend on homelessness services with other Welsh Authorities, and this showed that the Council was currently a low-cost Authority for Homelessness services, which included temporary accommodation spend. Since the Council stopped using Bed and Breakfast (B&B) for the majority of its temporary accommodation needs, spend had reduced from £3.277m in 2024/25

to £298k in the first half of 2025/26. Appendix B to the report included supporting information that evidenced that performance.

In line with the Council's performance monitoring arrangements, progress against regulatory improvement areas would be monitored via the Strategic Insight Board Insight Tracker. Governance and Audit Committee would continue to be informed of progress against the Council's regulatory improvement areas through regular updates on regulatory progress, with Cabinet having final oversight. Progress would also be monitored by Audit Wales as part of the Council's annual audit work programme.

Governance and Audit Committee members were being asked to consider the contents of the appended report (Appendix A), supporting local information (Appendix B), and the Council's response (in the form of an action plan – Appendix C) with any recommendations / comments being referred onto Cabinet for their consideration and endorsement of the proposed actions to address the recommendations.

It was noted that the new Homelessness and Social Housing Allocation Bill placed additional requirements on the Council, and which would lead to additional staffing requirements to fulfil the legal requirements within the new Act. No additional funding would be coming forward to support the additional requirements and the Council had identified significant cost pressures to assist transition from a reactive approach to prevention first. These cost pressures had been submitted and would be considered as part of the Council's 2026/27 budget round.

Councillor M. Hooper queried the Council's approach to ensuring that it avoided passing on costs to other service areas, for example issues caused to families from being placed in an inappropriate accommodation setting. Councillor Hooper also referred to modular builds and asked if there were any opportunities for those small scale accommodation builds. The Head of Housing and Building Services stated that that in terms of families, none had been placed in bed and breakfast accommodation this year. The new legislative framework took into account the suitability of the accommodation and the needs of families, so there would additional responsibilities on local authorities to ensure that costs were not being passed on. With regard to small scale builds, the Council was currently undertaking a survey of some of its larger garage sites to see if any were suitable. A report on that would be considered by Cabinet in the new year. In the future, there would also be the possibility for re-locating the modular units used for accommodation at the former Eagleswell School site in Llantwit Major.

Councillor J. Protheroe referred to a case she was aware of involving a homeless pensioners that was placed in accommodation, but their pet dog had to be placed somewhere else for two weeks. In response, the Head of Housing and Building Services stated that the number of people in that situation would be relatively small, and the Council would avoid the use of temporary accommodation if a permanent solution was available. However, some of types of accommodation did not allow pets. The Council would usually have a range of options that may suit a particular client group more than others and the Council would try as far as possible to accommodate the needs of an individual.

The Chair, G. Chapman, referred to paragraph 2.6 of the report which highlighted the reduction in spend on bed and breakfast type of accommodation. Although that was generally a positive, there would be a consequence on another part of the Council's budget, for example a new capital spend for the relocation of the modular builds in Llantwit Major. The Head of Housing and Building Services outlined that the through the Housing Revenue Account, the Council was using a lot of its capital resource on temporary accommodation. In addition, the Council had a revenue stream that would make the use of temporary accommodation cost neutral. The Council had been able to attract private sector landlords in to the area, for example on Cardiff Road, one of the landlords had purchased a substantial former House of Multiple Occupancy to provide a 24 hour supported housing scheme for clients with vulnerable needs. Furthermore, there was the Transitional Accommodation Capital Grant from Welsh Government used to support a range of schemes including the acquisition of existing dwellings, conversion of non-residential buildings into housing and helps bring void properties back into use.

G. Chapman also queried the amount of the cost pressure for the new homelessness legislation and additional staff resource. In response, the Head of Housing and Building Services advised that a cost pressure of approximately £200k had been identified for the development of a new Prevention Team.

The Committee agreed that it was pertinent to raise concern with Welsh Government as no additional funding had been provided to local authorities in relation to the new Homelessness and Social Housing Allocation legislation. The Committee also agreed to a request asking that Cabinet write to Welsh Government on the same matter.

Subsequently, it was

RESOLVED –

(1) T H A T the findings from Audit Wales' review of the Temporary Accommodation (Appendix A to the report), supporting local information detailed in (Appendix B to the report) and the response to the review findings and Audit Wales' recommendations (Appendix C to the report), be noted.

(2) T H A T the recommendations from the Audit Wales review be added to the Regulatory Tracking report.

(3) T H A T the report be referred to Cabinet for its oversight and endorsement, with Cabinet also be advised of the view of the Governance and Audit Committee in relation to the following:

- For Cabinet to write to Welsh government to express concern that no additional funding has been provided to local authorities in relation to the new piece of legislation.

(4) T H A T the Chair of the Governance and Audit Committee also write to Welsh Government to express concern that no additional funding has been provided to local authorities in relation to the new piece of legislation.

#### Reason for decisions

(1-4) Having regard to the contents of the report and discussions at the meeting.

#### 516 CORPORATE RISK: QUARTER 2 UPDATE (DCR) –

The report provided Members with an overview of the Corporate Risk Register for Quarter 2 (1<sup>st</sup> July – 30<sup>th</sup> September, 2025). The report also reflected the Strategic Leadership Team's (SLT) consideration of the recommendations made by this Committee following the 2025/26 Quarter 1 period relating to risks contained within the Corporate Risk Register.

The Corporate Risk Register had a total of twelve identified risks. One risk had a score of very high, five risks scored high, three risks scored medium / high, and three risks scored medium on the Register.

Committee noted from the Cabinet agenda of 18th December 2025, that a report on School Deficits was to be considered. Within that report there was a recommendation that the Cabinet report (including a review undertaken by Audit Wales) be referred to the Governance and Audit Committee for consideration. That report would be considered at the next meeting of this Committee. The position regarding school deficits was currently contained within the Financial Resources risk on the Register.

Councillor M. Hooper referred to paragraph 2.2 of the report regarding the decision taken by ABP to withdraw from the delivery of a marina as part of the Vale's Levelling up programme and was pleased that an update was being planned for the Quarter 3 Risk Register report.

Councillor M. Hooper commented on the direction of travel for the climate change and nature emergency risk, and he queried whether there had been any assessment of the potential impact following a change in the political landscape from the Senedd elections in 2026. In reply, the Director of Corporate Resources stated that there would be a close watch on the policies of the relevant political parties, with the Risk Register being reviewed following any new government coming into office.

In response to a query from Councillor Hooper regarding whether the Cyber Security risk required re-assessment given recent attacks on Jaguar Land Rover and Marks and Spencer, the Director stated that as an organisation the Council was very conscious of the risks. The Director advised that he was the Chair of the Council's Information Governance Board which met on a monthly basis, and which would look closely at incidents that were related to potential cyber security. In addition, the Council would also be considering some investment proposals in terms of security software and there was a programme of migrating to cloud-based servers.

Staying on the theme of Cyber Security, M. Evans (Lay Member) queried the risk assessment of third parties that the Council worked with. In reply, the Director stated that future updates of the Risk Register would reflect on some of the work with third parties, which were mainly covered within the data sharing and data privacy impact assessment processes.

M. Evans (Lay Member) stated that three or four of the highest risks were forecasting to increase and asked for some clarification on how insight shaped the Council's overall risk profile and control environment. The Director advised that in terms of the holistic picture, for certain risks the effectiveness of control score maybe relatively low, which did not necessarily mean that the Council was ineffective at controlling the risk. Usually, the low score was down to the level of Council's influence with the risk often being largely outside of the Council's direct control because of policy or legislation. The Risk Register would be one of the main influences behind the Council's budget process with additional funding provided to areas of highest risk and further capital investments.

Subsequently, it was

RESOLVED –

(1) T H A T the responses following consideration of the referred comments from the Governance and Audit Committee (Annex A to the report), be noted.

(2) T H A T the Quarter 2 position of corporate risks (1<sup>st</sup> July to 30<sup>th</sup> September 2025) as outlined in the Risk Summary report (Annex B to the report), be noted.

(3) T H A T the comments of the Governance and Audit Committee be referred to Cabinet for its consideration. The comments relating to the following:

- To highlight the increased risks associated with major projects, cyber security and climate change / nature emergency.

#### Reason for decisions

(1-3) Having regard to the contents of the report and discussions at the meeting.

#### 517 Q2 2025/26 PROGRESS AGAINST EXTERNAL REGULATORY RECOMMENDATIONS (DCR) –

The report (and Strategic Insight Board (SIB) Insight Tracker appended to the report) outline the Council's progress to date (October 2025) against all its existing external regulatory recommendations.

At Q2 2025/26, there were currently 19 actions ongoing in the Insight Tracker. Positive progress had been made in responding to the Council's regulatory improvement areas with 95% of actions (18) attributed a Green performance (RAG) status and 5% (1) an Amber status.

Of the 14 actions relating to local regulatory recommendations, 13 had been attributed a Green RAG status, and 1 an Amber status. The action attributed an Amber performance status related to the “Welsh Housing Quality Standard Review including Council Housing Tenants”.

There were currently 5 ongoing actions in the SIB Insight Tracker relating to national regulatory recommendations of which all 5 had been attributed a Green RAG status.

Following consideration by the Strategic Leadership Team, the SIB Regulatory Tracker Q2 2025/26 position was now being reported to Governance and Audit Committee and thereafter, Cabinet for final oversight. The Strategic Insight Board would respond to any comments and recommendations from the Governance and Audit Committee and Cabinet following their consideration of Q2 progress.

In line with its remit, Governance and Audit Committee was asked to review the Council's progress to date in addressing the recommendations made by the Council's external regulators as outlined in the Q2 2025/26 SIB Insight Tracker (Appendix 1 to the report) including the removal of completed actions, with their views referred to Cabinet for consideration.

N. Ireland (Vice-Chair) asked for reassurance in relation to the number of actions that were due for completion by the end of March 2026. In reply, the Operational Manager - Corporate Strategy and Insight advised that information was gathered quarterly with officers from relevant service areas providing updates on progress. As the end of Quarter 3 was approaching, service areas would be requested to provide clarity if any of the actions were unlikely to meet the required completion dates and the report updated accordingly for the next quarterly update.

There being no further queries or comments, the Committee

RESOLVED –

(1) T H A T the Council's progress to date in addressing existing recommendations made by its external regulators as outlined in the appended Strategic Insight Board Insight Trackers for the period Q2 2025/26, be noted.

(2) T H A T the views and recommendations of the Governance and Audit Committee be referred to Cabinet (including endorsing the removal of completed actions from the Strategic Insight Board Insight Tracker).

#### Reason for decisions

(1&2) Having regard to the contents of the report and discussions at the meeting.

518 FINALISATION OF THE ANNUAL STATEMENT OF ACCOUNTS FOR THE SOUTH EAST WALES CORPORATE JOINT COMMITTEE – RESPONSES FROM AUDIT WALES AND THE SOUTH EAST WALES CORPORATE JOINT COMMITTEE (DCR) –

The report had been provided to allow the Governance and Audit Committee to consider responses received from the Auditor General for Wales and the South East Wales Corporate Joint Committee (SEWCJC) following concerns raised by the Committee regarding delays to the preparation and finalisations of the SEWCJC annual statement of accounts.

Attached to the report at Appendix A was a letter from the Auditor General for Wales, received in response to a correspondence sent by the Chair of the Governance and Audit Committee, following the Committee's resolution made at its meeting held on 23<sup>rd</sup> June, 2025, expressing the Committee's concern of the delays in finalisation the accounts for the Cardiff Region City Deal.

The Governance and Audit Committee raised similar concerns at its meeting held 21<sup>st</sup> July, 2025, with the Committee resolving:

*“T H A T the Chair of the Governance and Audit Committee write to the Chief Executive of the South East Wales Corporate Joint Committee expressing concern about the delay of the Statement of Accounts and also to express the Committee's concern regarding the impact that it is having upon the production of the Vale of Glamorgan Council's draft Statement of Accounts”.*

A response from the Strategic Director of Resources (Section 151 Officer) SEWCJC was attached at Appendix B to the report.

The Governance and Audit Committee was therefore requested to consider the contents of the response letters contained at Appendices A and B respectively and make comment as it sees appropriate.

Councillor M. Hooper commented that the letter at Appendix B referred to the complexity associated with the accounts, but the Committee was never advised of what the complexities actually were.

Having considered the report it was

RESOLVED – T H A T the contents of the report be noted.

Reason for decision

Having regard to the contents of the report and discussions at the meeting.



## 519 GOVERNANCE AND AUDIT COMMITTEE DECISION AND ACTION TRACKING (DCR) –

A Decision Tracking record had been devised to assist the Committee in tracking the decisions made and actions requested in the exercise of its functions.

A record of the outstanding formal decision / resolution made by the Governance and Audit Committee made during the 2024/25 Municipal year was attached at Appendix A to the report.

Appendix B to the report was a record of decisions / resolutions for the current Municipal year, also including informal actions raised by Committee members during meetings. It provided an update on progress of each resolution and action raised.

The Committee was recommended to note the contents of Appendices A and B and make comments, as appropriate.

It was recommended that the Governance and Audit Committee be kept regularly apprised off all outstanding decisions and / or resolutions and actions.

Subsequently, it was

RESOLVED – T H A T the contents of the Decision Tracking record appended to the report be noted.

### Reason for decision

Having regard to the contents of the report and discussions at the meeting.

## 520 AUDIT WALES – NATIONAL FRAUD INITIATIVE BRIEFING NOTE (HRIAS) –

The National Fraud Initiative (NFI) was a biennial UK-wide counter-fraud exercise. It helped prevent and detect fraud by electronically sharing and matching data sets. In Wales, the NFI operated under the Auditor General's statutory powers.

The report provided members of the Governance and Audit Committee with a briefing note prepared by Audit Wales in respect of the National Fraud Initiative 2024-25 as of 31<sup>st</sup> July, 2025 which was attached at Appendix A.

Included in the briefing note was an update on the NFI exercise at a national level as well, including some Vale of Glamorgan data.

Having considered the report the Committee

RESOLVED – T H A T the Audit Wales Governance and Audit Committee Briefing Note at Appendix A to the report be noted.

### Reason for decision

Having regard to the contents of the report and discussions at the meeting.

#### 521 INTERNAL AUDIT PROGRESS REPORT (HRIAS) –

The report provided members of the Governance and Audit Committee with a position statement on progress made against the audit work included and approved within the Internal Audit Risk Based Plan 2025-26.

A summary of the progress made against the Internal Audit Plan as of 31<sup>st</sup> October, 2025 was detailed in Appendix A to the report. Table 1 summarised that 22 planned audit reviews had been completed which equated to a completion rate 38%.

Audit opinions, based on the assessment of the strengths and weaknesses of the areas examined through testing of the effectiveness of the internal control environment, had been given to the 22 completed audits as follows: 7 Substantial Assurance, 13 Reasonable Assurance and 2 Limited Assurance.

Included within the 2025-26 Plan were 11 audits that were not undertaken or completed in 2024-25. Appendix B to the report showed the status of these audits; 8 were completed, 1 was in progress and 2 were due to start.

A total of 113 recommendations (5 high priority, 47 medium priority and 61 low priority) had been made to date to improve the control environment. The progress being made in implementing the high and medium priority recommendations was regularly monitored by the Audit team and reported to this Committee.

Councillor M. Hooper queried how could Councillors become involved in the hybrid meeting audit. In reply, the Deputy Head of the Regional Internal Audit Service advised that the terms of reference had been issued, and the audit was presently ongoing. A questionnaire had been sent out and clarity on the target audience would be sought.

The Chair stated that it would be useful to reach out to those Councillors interested in the hybrid meeting audit to obtain their feedback.

Councillor M. Hooper queried how many audits remained unallocated. In response, the Deputy Head of the Regional Internal Audit Service stated that as of 31<sup>st</sup> October, 11 had been allocated to Auditors and were due to start and 12 were yet to be allocated. Updated information as of the 30<sup>th</sup> November indicated that 11 remained unallocated and would be allocated during quarter 4 and all other audits had commenced.

Subsequently, the Committee

**RESOLVED – T H A T** the contents of the report and the progress made against the Internal Audit Risk Based Plan 2025-26 be noted.

Reason for decision

Having regard to the contents of the report and discussions at the meeting.

## 522 RECOMMENDATION MONITORING REPORT (HRIAS) –

The report provided members of the Governance and Audit Committee with a position statement on internal audit recommendations and identified those that had been implemented and those that had not as of 31<sup>st</sup> October, 2025. The position statement was attached at Appendix A to the report.

An audit recommendation was made to enhance an identified weakness in a control to mitigate the identified risk, so until the recommendation was implemented the risk remained.

To date 52 recommendations (5 high and 47 medium priority) had been made following the conclusion of audits from this year's annual plan. All had been agreed, 24 had been implemented and the remaining 28 recommendations (2 high priority and 26 medium priority) had a future target date.

There were no overdue recommendations but there were several recommendations that had been made in previous financial years, which still had future implementation dates. Until these were implemented then identified risks remained.

Details of the 1 high priority and 3 medium priority recommendations made in 2023-24 audits which still had future target dates were detailed in Appendix B to the report.

The 21 recommendations made during 2024-25, which still had a future implementation date, continued to be monitored by the Audit team, along with the progress being made in implementing the recommendations made during 2025-26 audits.

Any undue delays or issues were highlighted to the Council's Strategic Leadership Team and ultimately this Committee.

The Committee discussed revised agreed dates shown in Appendix B, with the importance of the Committee receiving information as up to date as possible being highlighted.

Subsequently, it was

**RESOLVED – T H A T** the contents of the report and the information provided in respect of the status of the high and medium priority recommendations made by the Regional Internal Audit Service, be noted.

Reason for decision

Having regard to the contents of the report and discussions at the meeting.

## 523 FORWARD WORK PROGRAMME (HRIAS) –

The Governance and Audit Committee had several core functions and responsibilities within its remit.

It received 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.

To enable the Committee to provide this assurance and to ensure it was covering its range of responsibilities, a Forward Work Programme (FWP) was presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary. The FWP for 2025/26 was attached at Appendix A to the report.

The Committee noted a report on school balances would be referred from Cabinet and it highlighted the importance of the Section 151 Officer for the South East Wales Joint Committee attending a future meeting to discuss in detail their annual statement of accounts.

Subsequently, it was

### RESOLVED –

- (1) T H A T Forward Work Programme be noted.
- (2) T H A T the schedule of items for the next meeting on 23<sup>rd</sup> February, 2026 be endorsed.

### Reason for decisions

- (1&2) Having regard to the contents of the report and discussions at the meeting.