GOVERNANCE AND AUDIT COMMITTEE

Minutes of a Hybrid Meeting held on 20th July 2026.

The meeting papers are available here.

The recording of the meeting is available in English or English and Welsh.

To view the presentation and subsequent discussion for any Part I agenda item, please click the hyperlink contained in its title below.

Present: G. Chapman (Chair); N. Ireland (Vice-Chair); Councillors E.J. Goodjohn, E. Goodjohn and Dr. I.J. Johnson; and M. Evans (Lay Member).

Also present: Councillors A. Asbrey, L. Burnett (Executive Leader and Cabinet Member for Performance and Resources), W. Gilligan, G. John (Cabinet Member for Leisure, Sport and Wellbeing), R. Sivagnanam (Cabinet Member for Community Engagement, Equalities and Regulatory Services) and E. Williams (Cabinet Member for Social Care and Health).

172 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”.

173 APOLOGIES FOR ABSENCE –

These were received from Councillors B. Dodd, J. Protheroe and N.J. Wood.

174 DECLARATIONS OF INTEREST –

No declarations of interest were received.

175 MINUTES –

RESOLVED – T H A T the minutes of the meeting held on 22nd June 2026 be approved as a correct record.

176 ANNUAL TREASURY MANAGEMENT REPORT 2025/26 (REF) –

The reference from Cabinet of 9th July 2026 as contained within the agenda was

presented.
Members discussed:

- Public Works Loan Board preferential borrowing rates available for HRA new-build housing;
- The balance between short, medium and long-term borrowing;
- The risks posed by future interest rate movements;
- Treasury management arrangements and external adviser input.

It was explained that the Council actively managed both maturity profiles and interest-rate exposure and continued to take professional treasury advice.

RESOLVED – T H A T the Annual Treasury Management Report 2025/26 be accepted and referred to Full Council for approval.

Reason for decision

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

177 RISK, MANAGEMENT AND GOVERNANCE ARRANGEMENTS FOR MAJOR PROJECTS (DP) –

The report provided an overview from the Project Management Unit of the risk and governance processes associated with major regeneration projects.

Members sought clarification regarding:

- Changes in project scope or circumstances;
- Governance arrangements where major projects altered significantly.

Officers explained that significant project changes would be referred back to Cabinet for consideration and approval where required.

RESOLVED – T H A T the existing processes in place for the management of risk and governance in relation to major projects be noted.

Reason for decision

Following assurance that the processes for managing risk and governance in relation to major projects were effective and fit for purpose.

178 AUDIT WALES: REVIEW OF SCRUTINY ARRANGEMENTS (DCR) –

The report presented the findings of Audit Wales' review of the Council's arrangements to ensure effective scrutiny. The review included a follow up on Council progress in addressing proposals for improvement issued in Audit Wales' 2018 report, 'Vale of Glamorgan: Overview and Scrutiny – Fit for the Future?

The Council's response to these findings was included at Appendix B to the report and set out proposed actions, responsible officers and timescales for implementation.

Members discussed:

- The scale and adequacy of the Council's response;
- Training requirements for officers and Members;
- The Cabinet - Scrutiny protocol;
- Democratic Services Committee involvement;
- Future monitoring arrangements;
- Support from Welsh Local Government Association and regional peers;
- Challenges presented by the forthcoming 2027 elections.

The Chair requested updates through future regulatory reporting.

RESOLVED –

(1) T H A T the findings from Audit Wales' review of the Council's scrutiny arrangements (Appendix A to the report) and the response to the review findings and Audit Wales' recommendations (Appendix B to the report), be noted.

(2) T H A T the report be referred to Cabinet for its oversight and endorsement of the proposed Council actions (Appendix B to the report) to address the recommendations.

(3) T H A T progress against the recommendations be reported through the regulatory recommendation tracker process.

<u>Reasons for decisions</u>

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

(2) To ensure the Council responded appropriately and implemented areas of improvement as identified by Audit Wales.

(3) To ensure the Committee monitor progress against the Audit Wales recommendations.

179 AUDIT WALES: THE BUILDING BLOCKS? CAPITAL PLANNING IN COUNCILS IN WALES (DCR) –

The report presented the findings of Audit Wales' review of Capital Planning in Councils in Wales.

This national review of capital planning arrangements across all 22 Welsh Local Authorities considered how Councils planned and prioritised capital investment, whether arrangements supported value for money (VFM) and long-term decision-making, and the effectiveness of oversight and scrutiny arrangements.

The Council's response to these findings was included at Appendix B to the report and set out proposed actions, responsible officers and timescales for addressing the recommendations applicable to Local Authorities.

RESOLVED –

(1) T H A T the findings from Audit Wales' national review of Capital Planning in Councils in Wales (Appendix A to the report) and the response to the review findings and Audit Wales' recommendations (Appendix B to the report), be noted.

(2) T H A T the report be referred to Cabinet for its oversight and endorsement of the proposed Council actions (Appendix B) to address the recommendations.

Reasons for decisions

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

(2) To ensure the Council responds appropriately and implements areas of improvement as identified by Audit Wales.

180 ANNUAL WHISTLEBLOWING (SPEAK OUT) POLICY AND REPORTED INCIDENTS 2025/2026 (DCR) –

The report provided the Governance and Audit Committee with the Council's annual review of the operation of the Whistleblowing (Speak Out) Policy during 2025/26 and presented an analysis of reported concerns and emerging organisational trends.

The report reviewed Speak Out referrals received during 2025/26 and provided contextual trend information from cases recorded since June 2022. The analysis demonstrated that employees continued to utilise the Speak Out process to raise a wide range of concerns. Whilst the nature of concerns raised had evolved over time, investigations undertaken during the reporting period resulted in relatively few allegations being substantiated. The findings therefore provided assurance regarding the effectiveness of existing governance, management and investigative arrangements.

The Council remained committed to fostering a culture of openness, accountability and continuous improvement where employees felt able to raise concerns safely and in the public interest.

Members sought clarification regarding:

- The meaning of "workplace behaviours";
- Why certain concerns were not investigated under the Speak Out policy;
- Information regarding whistleblowers leaving the organisation.

Officers explained that many concerns were more appropriately dealt with under grievance, disciplinary or management procedures.

RESOLVED –

(1) T H A T the contents of the report be noted.

(2) T H A T Governance and Audit Committee continues to receive annual reports regarding implementation of the Whistleblowing (Speak Out) Policy and reported incidents.

(3) T H A T information relating those staff that have left the employment of the Council be provided as part of the next annual report.

Reasons for decisions

(1) To enable the Committee to fulfil its governance and oversight responsibilities in relation to the operation of the Whistleblowing Policy.

(2) To ensure ongoing monitoring of whistleblowing activity, trends, organisational risks and lessons learned.

(3) To provide information of those staff that had raised a concern through the Whistleblowing (Speak Out) Policy.

181 UNAUDITED STATEMENT OF ACCOUNTS 2025/26 (CX) –

The Draft 2025/26 Vale of Glamorgan Statement of Accounts, Shared Regulatory Services Statement of Accounts were now complete. The Council completed the draft accounts by 30th June 2026 which reflected the amended timetable for accounts closure.

The preparation of the 2024/25 and 2025/26 Regional Adoption Collaborative Accounts had commenced following confirmation by Audit Wales that full accounts would be required following a national review.

The 2025/26 Vale of Glamorgan Statement of Accounts would be subject to external audit and the audited accounts presented to Audit Committee once the audit was finalised along with the external auditor's ISA260 report prior to being submitted for approval by Council. The final audited accounts must be signed by the Auditor General before 30th September 2026; however that may be impacted by the requirement for Full Council approval in the Vale of Glamorgan.

The audits of the 2025/26 Vale of Glamorgan Council were now underway with the audits of the Shared Regulatory Service and the 2024/25 and 2025/26 Regional Adoption Collaborative Accounts due to take place later in the calendar year.

Audit Wales were working to a 30th June and 30th September deadline for 2025/26 accounts, with the resourcing for the Vale of Glamorgan it was intended that the majority of the audit would be undertaken by the end of August 2026.

The Committee commented that an additional note should be included to provide narrative for the increased use of reserves for schools, the increase of reserves for the Housing Revenue Account and also an increase for the Capital grants reserves.

Members questioned:

- Presentation of reserve movements;
- Variance reporting;
- Revaluation adjustments relating to the Housing Revenue Account dwellings;
- Disclosure thresholds for senior officers' remuneration.

The Head of Finance acknowledged some presentational improvements could be explored for future reporting.

RESOLVED –

(1) T H A T the unaudited Vale of Glamorgan Council Statement of Accounts for 2025/26 be noted.

(2) T H A T the unaudited Joint Committee Shared Regulatory Services Statement of Accounts for 2025/26 and the Shared Regulatory Services Annual Governance Statement be noted.

(3) T H A T a commentary note be added to provide more detail around the Council reserves for schools, the Housing Revenue Account and Capital grants.

Reasons for decisions

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

(3) To provide an explanation around the level of Council budgetary reserves.

182 DRAFT ANNUAL GOVERNANCE STATEMENT (AGS) 2025/26 (HOF/S151O) –

The Council, as part of its arrangements for corporate governance, was required to undertake an annual review of internal control and governance; the resulting Annual Governance Statement (AGS) had to be included within the Statement of Accounts.

The AGS explained how the Council had complied with the terms of the CIPFA and SOLACE Framework – Delivering Good Governance in Local Government 2016 for the year ended 31st March 2026. It outlined what had changed, improved or been developed in year and identified any areas for improvement to further strengthen the sound governance arrangements already in place.

The Committee requested for the report produced on partnership working between the Council and Town and Community Councils to be made available to members of the Governance and Audit Committee (to be disseminated by Democratic Services).

Members also discussed:

- Directorate self-assessments;
- Youth Council involvement;
- Corporate complaints arrangements;
- Budget development transparency;
- Future governance improvements.

There was significant discussion regarding the possible introduction of a cross-party budget working group.

RESOLVED –

(1) T H A T the draft Annual Governance Statement for 2025-26 be noted.

(2) T H AT the following comments and areas for improvement (for 2026/27) be for considered by Officers for inclusion into the Draft Annual Government Statement 2025/26:

- Greater involvement and engagement with the Youth Council, particularly in regard to Scrutiny;
- Focus and greater emphasis on Corporate Complaints following the shift in responsibility from C1V to Democratic Services to ensure that that function remains effective and to ensure timescales around responding to complaints are reviewed;
- Greater emphasis on Member involvement around Directorate self-assessments and budget setting processes.

(3) T H A T Cabinet be requested to consider the introduction of a Budget Working Group to allow Elected Members to delve deeper into budgetary and saving proposals.

Reasons for decisions

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

(2) To allow Cabinet, the Chief Executive and the Section 151 Officer to consider the comments made by the Governance and Audit Committee.

(3) To ensure more robust scrutiny within the Council's budget setting process.

183 FINANCIAL MANAGEMENT CODE 2025/26 UPDATE (HOF / S151O) –

The Financial Management Code (FM Code) was a code that had been introduced by CIPFA to support good practice in financial management and to assist Local Authorities in demonstrating their financial sustainability. It was prepared for the first time in February 2022 and attached at Appendix 1 to the report was the update for 2025/26.

For 2025/26, building on the approach adopted last year and as part of the update there had been further independent assessment by the Council's Internal Audit section reviewing a number of elements of the officer self-assessment. The aim of this approach was to enable a full independent review across a rolling four to five years.

Each Local Authority (and those bodies designated to apply the FM Code) had to demonstrate that the requirements of the Code were being satisfied. Demonstrating this compliance with the FM Code was a collective responsibility of Elected Members, the Chief Finance Officer (CFO) and their professional colleagues in the Leadership Team.

The updated review had been considered by the Council's Strategic Leadership Team and was being reported to Governance and Audit Committee for comment/ recommendations on to Cabinet.

The Council was required to evidence its assessment of compliance with the Code and identify any areas for further improvement.

The Committee requested that the same areas of improvement that had been identified through debate of the Draft Annual Governance Statement 2025/26 be considered for inclusion for the Financial Management Code. Those being:

- Greater involvement and engagement with the Youth Council, particularly in regard to Scrutiny;
- Focus and greater emphasis on Corporate Complaints following the shift in responsibility from C1V to Democratic Services to ensure that that function remains effective and to ensure timescales around responding to complaints are reviewed;
- Greater emphasis on Member involvement around Directorate self-assessments and budget setting processes.

In addition, Cabinet were requested to consider the creation of a Member Budget Working Group to provide greater scrutiny of the Council's budgets.

RESOLVED –

(1) T H A T the Statement on Compliance with the Financial Management Code and the Contents of the Review as set out in Appendix 1 to the report be noted and forwarded to Cabinet to its consideration.

(2) T H AT the following comments for areas for improvement be referred to Cabinet for consideration:

- Greater involvement and engagement with the Youth Council particularly in regard to Scrutiny;
- Focus and greater emphasis on Corporate Complaints following the shift in responsibility from CIV to Democratic Services to ensure that that function remains effective and to ensure timescales around responding to complaints are reviewed;

- Greater emphasis on Member involvement around Directorate self-assessments and budget setting processes.

(3) T H A T Cabinet be requested to consider the introduction of a Budget Working Group to allow Elected Members to delve deeper into budgetary and saving proposals.

Reasons for decisions

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

(2) To allow Cabinet, the Chief Executive and the Section 151 Officer to consider the comments made by the Governance and Audit Committee.

(3) To ensure more robust scrutiny within the Council's budget setting process.

184 GOVERNANCE AND AUDIT COMMITTEE DECISION AND ACTION TRACKING (HRIAS) –

The report provided members of the Committee with a tracking record of decisions made and actions requested by the Governance and Audit Committee during the current Municipal Year (May 2026 to May 2027) and also for any outstanding recommendations relating to previous years.

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.

185 ANNUAL CORPORATE FRAUD REPORT 2025/26 (HRIAS) –

The report provided members of the Governance and Audit Committee with details of the actions undertaken in respect of counter fraud during 2025-26 including an update on the National Fraud Initiative (NFI) Exercise.

Members discussed:

- Emerging fraud risks from Artificial Intelligence;
- Blue Badge fraud and enforcement arrangements;
- National Fraud Initiative outcomes.

RESOLVED – T H A T the contents of the report and the measures in place and the working being undertaken to prevent and detect fraud and error be noted.

Reason for decision

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

186 FORWARD WORK PROGRAMME 2026/27 (HRIAS) –

The Governance and Audit Committee had several core functions and responsibilities within its remit. To enable the Committee to carry out those core functions and responsibilities effectively and to ensure it covered its range of responsibilities, a Forward Work Programme was presented at each meeting, setting out the reports to be presented at future meetings, for approval or amendment, as necessary.

RESOLVED – T H A T the schedule of items for the next meeting on 21st September 2026 be endorsed.

Reason for decision

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