

Meeting of:	<b>Governance and Audit Committee</b>
Date of Meeting:	<b>Wednesday, 23 July 2025</b>
Relevant Scrutiny Committee:	Resources Scrutiny Committee
Report Title:	Vale of Glamorgan Council Annual Audit Summary 2024
Purpose of Report:	To present the Vale of Glamorgan Council Annual Audit Summary 2024 <b>(Appendix A)</b>
Report Owner:	Tom Bowring, Director of Corporate Resources
Responsible Officer:	Rob Thomas, Chief Executive
Elected Member and Officer Consultation:	The Annual Audit Summary applies to the whole authority and informs Scrutiny Committees' annual work programme, the Cabinet annual work programme and the Council's improvement programme.
Policy Framework:	This is a matter for Executive decision by Cabinet.
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>The report presents the Auditor General Wales' Annual Audit Summary for the Vale of Glamorgan Council, outlining work completed since the last Audit Summary, issued in May 2024.</li> <li>The contents of the Council's Annual Audit Summary 2024 <b>(Appendix A)</b> were positive.</li> <li>A number of recommendations have been made in relation to both local (5) and national audit work (12) undertaken during the period as part of the Auditor General's duties. Recommendations for local reviews include Commissioning (3), Financial Sustainability (2), and Urgent and Emergency Care: Flow out of Hospital (comprising Cardiff &amp; Vale UHB, Cardiff Council and Vale of Glamorgan Council (7). No recommendations were issued in relation to the setting of well-being objectives review. The Assurance and Risk Assessment review considered the Council's arrangements to secure value for money in the use of its resources and will inform future audit plans for the Council.</li> <li>In relation to both local and national reports published during the period, consideration has been given by relevant council services to the findings contained within the reports as they have been published, and where appropriate actions have been incorporated within the Council's regulatory tracker throughout the year. Progress against our external regulatory actions is monitored via the Strategic Insight Board, Strategic Leadership Team, Governance and Audit Committee and</li> </ul>	

Cabinet as work to address them progresses. Progress against our regulatory actions is also monitored by Audit Wales colleagues throughout the year as part of the Annual Regulatory Plan.

- It is recommended that Governance and Audit Committee Members consider the contents of the Vale of Glamorgan Council Annual Audit Summary 2024 and refer any recommendations and comments of the Committee to Cabinet for their final oversight.

## **Recommendation**

1. That Governance and Audit Committee consider the contents of the Vale of Glamorgan Council Annual Audit Summary 2024 and refer any recommendations and comments of the Committee to Cabinet for their final oversight.

## **Reason for Recommendation**

1. To provide for scrutiny and review of the Auditor General's Annual Audit Summary 2021.

## **1. Background**

- 1.1 The Auditor General for Wales has a number of duties under the Local Government & Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015. To meet these duties, the Auditor General annually undertakes an audit of the Council's financial statements to make sure the public money is being accounted for, examines whether the Council has put in place arrangements to secure value for money for the resources it uses and seeks assurance that the Council is complying with the sustainable development principle when setting and taking steps to meet its well-being objectives.
- 1.2 The Annual Audit Summary outlines the audit work completed by the Auditor General in the Vale of Glamorgan Council since the last Audit Summary, issued in May 2024.

## **2. Key Issues for Consideration**

- 2.1 **Appendix A** contains the Vale of Glamorgan Annual Audit Summary 2024.
- 2.2 The contents of the Annual Audit Summary report were positive.
- 2.3 In relation to the Audit of Accounts, the Auditor General Wales gave an unqualified true and fair opinion on the Council's financial statements for the 2023-24 period on 6th December 2024 and issued a certificate confirming that the audit of accounts has been completed. The Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance and were consistent with the financial statements prepared by the Council and with Audit Wales' knowledge of the Council.

- 2.4** A number of recommendations have been made in relation to both local (5) and national audit work (12) undertaken during the period as part of the Auditor General's duties. Recommendations for local reviews include Commissioning (3), Financial Sustainability (2), and Urgent and Emergency Care: Flow out of Hospital (comprising Cardiff & Vale UHB, Cardiff Council and Vale of Glamorgan Council (7). No recommendations were issued in relation to the setting of well-being objectives review. The Assurance and Risk Assessment review considered the Council's arrangements to secure value for money in the use of its resources and will inform future years audit plans.
- 2.5** As part of the Auditor General's examination of value for money and application of the sustainable development principle, local reviews have been undertaken of the Council's approach to setting its well-being objectives, financial sustainability, commissioning arrangements and unscheduled care arrangements with partners Cardiff Council and the Cardiff & Vale University Health Board. The review of the Council's arrangements to secure value for money in the use of its resources (assurance and risk assessment review) has informed the planned audit work for 2024/25 which includes a focus on schools balances and a review of Council's arrangements for dealing with complaints. The findings of the review of financial sustainability has been reported to Governance and Audit Committee and Cabinet with progress against recommendations being monitored via the Strategic Insight Board's external regulatory tracker. The findings from the remaining reviews are in the process of being reported and will be reflected in Council's external regulatory tracker as appropriate.
- 2.6** In relation to the 12 national reports published during the period, consideration has been given by relevant council services to the findings contained within the reports as they have been published, and where appropriate actions have been incorporated within the Council's regulatory tracker throughout the year. Progress against our external regulatory actions is monitored via the Strategic Insight Board, Strategic Leadership Team, Governance and Audit Committee and Cabinet as work to address them progresses. Progress against our regulatory actions is also monitored by Audit Wales colleagues throughout the year as part of the Annual Regulatory Plan.
- 2.7** It is recommended that upon consideration of the contents of the Annual Audit Summary 2024, that Governance and Audit Committee Members refer any recommendations and comments of the Committee to Cabinet for their final oversight.

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** Our Corporate Plan has been structured around the Well-being of Future Generations (Wales) Act 2015, through the development of four Well-being Objectives. By aligning our Well-being Objectives in the Corporate Plan with the

Well-being Goals of the Act, this will enable us to better evidence our contribution to the Goals.

- 3.2** Performance reporting is an important vehicle for showing our progress, not only in terms of impacts across the national well-being goals through achievement of our well-being objectives but also in terms of the changes and improvements made in our approach to integrated planning.
- 3.3** The five ways of working are a key consideration in our corporate Performance Management Framework ensuring that we continue to focus on working differently and in an inclusive way to challenge why, what and how we respond to our key performance challenges.

## **4. Climate Change and Nature Implications**

- 4.1** 4.1 There are no climate and nature implications associated with this report.

## **5. Resources and Legal Considerations**

### **Financial**

- 5.1** Audit and inspection fees for the Council are met from existing budgets.
- 5.2** There are no additional budgetary implications arising from this report, although underperformance in some areas may have a negative impact on external assessments of the Council and could put certain funding opportunities at risk.

### **Employment**

- 5.3** There are no direct workforce related implications associated with this report. However, there are a number of issues contained within the Annual Audit Summary that may have the potential to impact on our staff establishment and performance overall. This may in turn impact adversely on achievement of our Well-being Objectives.

### **Legal (Including Equalities)**

- 5.4** The Auditor General for Wales is responsible for examining how public bodies manage and spend public money, including but not limited to their arrangements for securing value for money in the use of resources and making recommendations to improve the value for money of local government.
- 5.5** The Auditor General for Wales has a duty under the Well-being of Future Generation (Wales) Act 2015 to assess the extent to which councils are acting in

accordance with the sustainable development principle when setting well-being objectives and taking steps to meet those objectives.

- 5.6** The Auditor General for Wales has a duty under the Local Government & Elections (Wales) Act 2021 to carry out an inspection in order to assess the extent to which the council is meeting the performance requirements where it considers a council is not, or may not be, meeting those requirements. The Council has a duty to respond to any recommendations for actions it should take.

## **6. Background Papers**

None

# Vale of Glamorgan Council

## Annual Audit Summary 2024

Date Published: May 2025

This is our audit summary for Vale of Glamorgan County Council. It shows the work completed since the last Annual Audit Summary, which was issued in May 2024. Our audit summary forms part of the Auditor General for Wales' duties.

More information about these duties can be found on our [website](#).



## About the Council

### Some of the services the Council provides



#### Key facts

The Council is made up of 54 councillors who represent the following political parties:

- Conservative 13
- Independent 4
- Labour 25
- Plaid Cymru 8
- Llantwit First Independent 4

The Council spent £348 million on providing services<sup>1</sup> during 2023-24<sup>2</sup>.

<sup>1</sup> We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

<sup>2</sup> Source: 2023-24 Statement of Accounts

## Key facts

As at 31 March 2024, the Council had £74 million of useable financial reserves<sup>3</sup>. This is equivalent to 21% of the Council's annual spending on services<sup>4</sup>.

Vale of Glamorgan Council has 4% of the most-deprived 10% of areas in Wales, this is the seventh lowest of the 22 unitary councils in Wales<sup>5</sup>.

Vale of Glamorgan Council's population is projected to increase by 8% between 2024 and 2043, from 137,200 to 148,000, including a predicted 1% increase in the number of children, a 3% increase in the number of the working-age population and a 27% increase in the number of people aged 65 and over<sup>6</sup>.

## The Auditor General's duties

### We completed work during 2023-24 to meet the following duties

- **Audit of Accounts**

Each year, the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.

- **Value for money**

The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.

- **Sustainable development principle**

Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

<sup>3</sup> We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools' balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

<sup>4</sup> Source: 2023-24 Statement of Accounts

<sup>5</sup> An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales

<sup>6</sup> Source: [Stats Wales, Population Projections](#)



## What we found

### Audit of Vale of Glamorgan County Council's 2023-24 Accounts



**To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.**

Each year, we audit the Council's financial statements.

#### **For 2023-24:**

- the draft statements were presented for audit on 29 June 2024. This was before the deadline of 30 June 2024 set by the Welsh Government.
- the quality of the draft statements presented for audit was of a good standard.
- following the approval of the audited accounts by the Council on 2 December 2024, the Auditor General gave an unqualified true and fair opinion on the Authority's financial statements on 6 December 2024. This was after the deadline agreed with the Welsh Government of 30 November 2024.
- the Authority's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were consistent with the financial statements prepared by the Authority and with our knowledge of the Authority.
- a number of changes were made to the Authority's financial statements arising from our audit work, which were reported to the Audit Committee in our Audit of Financial Statements Report in November 2024.
- in addition to the Auditor General's responsibilities for auditing the Authority's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Whilst some aspects of this work remain incomplete, our work to date has not identified any significant issues.
- the Auditor General issued the certificate confirming that the audit of accounts for 2023-24 has been completed.

## Assurance and risk assessment review

We reviewed the arrangements the Council has put in place to secure value for money in the use of its resources. Our assessment is also used to inform our work planning for future years.

## Commissioning

Our review focussed on how councils' arrangements for commissioning apply value for money considerations and the sustainable development principle. We found that the Council can provide examples where in commissioning services it has arrangements in place to secure value for money and apply the sustainable development principle. But it cannot demonstrate that similar arrangements exist across all service areas. Without that assurance, there is a risk that the Council is not consistently securing value for money through its commissioned services.

## Unscheduled care

Our work has sought to examine whether health boards and local authorities have effective arrangements in place to ensure the timely discharge of patients out of hospital.

Overall, we found that whilst the volume of patients experiencing delayed discharge remains a concern, there have been notable improvements in ambulance handover and emergency department waiting time performance in the region. However, patient flow within hospitals is impacting negatively on other pathways of care, and regional partners will need to maintain their joint commitment to secure the improvements which are necessary.

## Financial sustainability

During 2024, we reviewed the Council's financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term. We found that, whilst having arrangements for the short to medium term, the Council lacks a long-term plan and regular assessments of the impact of decisions to support its long-term financial sustainability.

## Setting of Well-being Objectives Review

The Auditor General must carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle when setting their well-being objectives. We found that the Vale has applied the sustainable development principle to shape the setting of its well-being objectives including effective use of data, alignment with financial plans and a strong approach to involvement.

## National reports and products published in 2024

As well as local work at each council, each year, we also carry out studies across the local government sector to make recommendations for improving value for money. We published the following reports in 2024 which may be useful to the Council and can be found on our website.

Report title	Publication date and link to report
Local Government Financial Sustainability	<a href="#">December 2024</a>
Local Government Financial Sustainability Data tool update now includes data from the draft 2023-24 accounts	<a href="#">December 2024</a>
National Fraud Initiative in Wales 2022-23	<a href="#">October 2024</a>
Active travel (report and data tool)	<a href="#">September 2024</a>
Governance of Fire and Rescue Authorities	<a href="#">September 2024</a>
Affordable housing	<a href="#">September 2024</a>
Digital by design? – Lessons from our digital strategy review across councils in Wales	<a href="#">August 2024</a>
Councils' use of performance information: service user perspective and outcomes – A summary of findings from our review at Welsh councils	<a href="#">July 2024</a>
Governance of National Park Authorities	<a href="#">April 2024</a>
Supporting Ukrainians in Wales	<a href="#">March 2024</a>
From firefighting to future-proofing – the challenge for Welsh public services	<a href="#">February 2024</a>
Planning for sustainable development – Brownfield regeneration	<a href="#">January 2024</a>

## **Planned work for 2024-25**

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council's ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

Our planned work for 2024-25 includes:

- Assurance and risk assessment including a focus on schools' balances
- Review of complaints
- Assessment of how well the Council is applying the Sustainable Development Principle when setting its well-being objectives

The Auditor General is independent of government and was appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission, and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.