

Meeting of:	Governance and Audit Committee
Date of Meeting:	Thursday, 20 November 2025
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Audited Statement of Accounts 2024/25
Purpose of Report:	To present those charged with Governance: responses to external audit on fraud and governance; the Final Statement of Accounts and Annual Governance Statements for approval; and the Audit Wales Audit Closure Report/ISA2060.
Report Owner:	Report of the Chief Executive
Responsible Officer:	Head of Finance/Section 151 Officer
Elected Member and Officer Consultation:	None
Policy Framework:	The proposals in this report are in accordance with Policy Framework and Budget
Executive Summary: - The Council has until 31st May each year to submit draft Statement of Accounts and Annual Governance Statement for audit and external audit has until 31st July to issue a certificate. - These deadlines were relaxed during Covid but there is a backlog of work nationally and the Auditor General for Wales has extended the certification deadline to 31st October for 2024/25 Statement of Accounts. - The draft Statement of Accounts and Annual Governance Statement were submitted to Audit Wales on 30th June. This met the locally agreed Audit Wales deadline, but the Council has nevertheless issued a late publication notice. - The Draft Final Statement of Accounts includes the consolidation of the audited 2023/24 City Deal Joint Committee accounts and Draft 2024/25 City Deal Joint Committee accounts which have been subject to Audit of material balances by Audit Wales. - There are a number of other changes largely of a presentation and classification nature which will be detailed within this report and are also included in the Auditor's report.	

- The Annual Governance Statement demonstrates that appropriate governance arrangements are in place to meet the governance principles. Actions have been identified to address the governance issues identified during 2024/25.
- Audit Wales writes to those charged with Governance to gain assurance that there is no fraud which would have an impact on the accuracy and integrity of the Statement of the Accounts. There are no fraud issues impacting on the Council's accounts.
- The external audit of the Statement of Accounts is very near complete. The draft Audit Wales Audit of Accounts report is attached at Appendix D and confirms an unqualified audit report. The report includes appendices that set out the audit amendments agreed a further report will be brought by Audit Wales that sets out recommendations made following the 2024/25 accounts audit.
- The external audit of the Annual Governance Statement is complete and no significant amendments were required.
- Audit work has commenced on the Shared Regulatory Service and the audit is ongoing. There has been some discussion on the form of The Vale, Valleys & Cardiff Regional Adoption Service accounts to be produced which has only recently been concluded so this work is still underway.

Recommendations

1. Governance and Audit Committee is recommended to approve the Final Statement of Accounts and Annual Governance Statement to go forward to Council for final approval at Appendix A and B respectively.
2. Governance and Audit Committee is recommended to delegate authority to the s151 Officer in liaison with the Chair of the Governance and Audit Committee to make any final minor adjustments to the Final Statement of Accounts and Annual Governance Statement as necessary.
3. Governance and Audit Committee is recommended to approve the response to the Audit Wales Audit Enquiries at Appendix C.
4. Governance and Audit Committee is recommended to note the draft Audit Wales ISA260 and management actions agreed by the Vale of Glamorgan.

Reasons for Recommendations

1. Governance and Audit is the body responsible for receiving the Statement of Accounts and Annual Governance Statements for review ahead of approval by Council.
2. The Audit of the Statement of Accounts and Annual Governance Statement is essentially complete but there may be some minor amendments to be made before they are approved by Council.
3. Audit Wales has written to both offices and those charged with governance with a set of queries to provide assurance on fraud, legal and related parties.
4. The ISA260 is for noting and any adjustment required have been made in the Statement of accounts and Annual Governance Statement being put forward for approval.

1. Background

- 1.1 The preparation of the Statement of Accounts is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018) and its content is defined by the Chartered Institute of Public Finance and Accountancy's 'Code of Practice on Local Authority Accounting in the United Kingdom' (the Code).
- 1.2 In accordance with these regulations, the unaudited Statement of Accounts for 2024/25 required approval and signature by the responsible finance officer by 31st May 2025, certifying that it presents a true and fair view of the financial position of the Council. The audited Statement of Accounts then has to be approved by 31st July 2025 by the Governance and Audit Committee in accordance with the Committee's Terms of Reference and also Council. If the

accounts are not able to be signed and published by this date, then the Council must publish a Regulation 10 notice setting out the reasons why.

- 1.3** Due to resourcing issues post Covid Audit Wales are working to a 30th June and 31st October framework for the 2024/25 accounts. The Council has worked to this framework and did not meet the 31st May 2025 deadline and therefore, in line with the requirements of the Regulations, issued a notice advising of this. In the context of the national position. The unaudited accounts were signed by the responsible finance officer on 30th June 2025 and sent to Audit Wales the same day. There continues to be an expectation that Welsh Government will be amending the Regulations to revert to the historical deadlines of 30th June and 30th September
- 1.4** Audit Wales wrote to the Council on 19th May 2025 seeking their annual assurance on matters in relation to fraud, laws and regulations, and related parties which could have an impact on the Statement of Accounts.

2. Key Issues for Consideration

- 2.1** Final Statement of Accounts and Annual Governance Statement
- 2.2** Statement of Accounts
- 2.3** The Audit of the Statement of Accounts and Annual Governance Statement is now complete.
- 2.4** The Final Statement of Accounts is attached at Appendix A.
- 2.5** The key headlines from the Statement of Accounts are broadly as set out in the report to Governance and Audit Committee on 21st July 2025.
- 2.6** The Usable Reserves have reduced from £88.589m to £78.102m in 2024/25 the only changes to this figure for the amended accounts are associated with the City Deal CJC consolidation.
- 2.7** Of this reduction, £12.523m relates to a reduction in the General Fund and earmarked reserves, £360k relates to an increase in the HRA reserves, there has also been an increase in usable capital receipts of £1.975m of this (£1.2m relates to City Deal) and a reduction in capital grants unapplied of £299k.
- 2.8** The unusable reserves of the Council are the non cash backed reserves that are predominantly used to capture statutory accounting adjustments. These unusable reserves are reduced by £2.974m as a result of the audit amendments set out in these accounts.
- 2.9** The Council's Pension Liability has increased from £10.522m in 2023/24 to £17.310m these figures are unchanged from the draft accounts.
- 2.10** The value of Property Plant and Equipment has increased to £975m reflecting significant increases in Capital Investment in Schools and Housing stock during the period this has been reduced by £4m from £979m reported in the draft accounts. These changes predominantly relate to revaluations and the IFRS 16

implementation. Assets were revalued in year based on a mix of valuations and indexation during the preparation of the 2024/25 accounts.

2.11 Annual Governance Statement

2.12 The External Audit of the Statement of Accounts and Annual Governance Statement is now complete.

2.13 The final Annual Governance Statement is attached at Appendix B. The Annual Governance Statement has had an overhaul and as well as giving a more streamlined commentary it is also in the same format as the main statement.

2.14 There have been no significant changes from the draft Annual Governance Statement. Audit Wales requested some additional commentary on the financial risks that the Council is facing and this has been added in.

2.15 The Annual Governance Statement describes the Council's corporate governance arrangements, provides an assessment of those arrangements and where appropriate identifies improvements that need to be made. The statement demonstrates that appropriate governance arrangements are in place to meet the governance principles as set out in the CIPFA /SOLACE Framework (2016) and that a review has been undertaken to assess the effectiveness of those arrangements.

2.16 Audit Enquiries to those Charged with Governance and Management

2.17 ISA 240 requires the Council's External Auditors to obtain an understanding of how the Council exercises oversight of management's processes for identifying and responding to the risks of fraud and the internal controls established to mitigate them. Audit Wales wrote to those Charged with Governance in April 2024 seeking these assurances.

2.18 The Council's proposed responses to the Audit Wales Fraud enquiries is attached at Appendix C. The controls in place all supplement the Council's governance arrangements set out in the Constitution and include the Financial Procedure Rules and Contract Procedures Rules as well as Financial Procedure Notes and the Procurement Code of Practice.

2.19 Appendix 1 of the document relates to Fraud; the response sets out a confirmation that there were no specific fraud issues identified during 2024/25 relating to the financial statements. It is also considered that the Head of Audit's Annual Opinion report provides satisfactory assurance with regards to the key financial systems.

2.20 The document sets out the processes for management of incidences of Fraud, limited assurance identified as a result of Audits and whistleblowing. The response also sets out how standards of ethical behaviour and conduct are communicated to Employees and Members of the Council. It is further stated that any instances of potential fraud or error identified via the National Fraud Initiative have been dealt with through the appropriate processes and any monies incorrectly paid are being recovered.

2.21 Appendix 2 relates to Laws and Regulations and sets out how assurance is gained that laws and regulations have been complied with. It further sets out that the

Council is not aware of any non compliance that should be declared and that there are no legal claims which would affect the Council's financial statements.

- 2.22** Appendix 3 provides detail of assurance regarding Related Parties and includes processes to establish and disclose relevant related party transactions as required.
- 2.23** Audit of Accounts Report
- 2.24** The Audit Wales Audit of Accounts Report is attached at Appendix D.
- 2.25** The Audit of Accounts Report includes the Auditor's report (Appendix 2 which is reproduced in the accounts), letter of representation (Appendix 1) and summarises corrections and recommendations for improvement.
- 2.26** The Audit of Accounts states that there will be an unqualified audit report, although this is subject to some audit work and file review that will be undertaken in the coming days.
- 2.27** Some of the key amendments to the accounts are set out in Appendix 3 to the Audit of Accounts Report.
- 2.28** For Capital Balances the amendments are broadly associated with the Capital Accounting associated with the implementation of IFRS16, some amendments associated with the treatment of enhancing expenditure for assets that have been revalued on an indexed basis. There were also some changes associated with the treatment of some HRA land that should have been transferred as part of new developments.
- 2.29** There has been a £7m amendment to correct payments due to HMRC, Teachers Pension and Cardiff and Vale Pension Fund relating to March payroll that were allocated in error to the cash balance and not creditors and this has been amended as part of the audited accounts.
- 2.30** In addition, the amendments relating to the 2023/24 Audited and 2024/25 City Deal CJC Draft Accounts have now been consolidated into the Statement of Accounts; these changes span the majority of statements and disclosures in the Council's accounts and have increased both the Useable and Unusable Reserves of the Council. Audit Wales have undertaken an audit of the material balances for the 2024/25 accounts as a basis to provide assurance for the consolidation of the 2024/25 accounts.
- 2.31** The other amendments agreed are of a presentational or classification nature and do not amend the Surplus or Deficit or the Reserves of the Council.
- 2.32** Changes have also been made to the disclosures in respect of employee emoluments including pay bandings and minor changes to Senior Leadership Pay disclosures.
- 2.33** In Appendix 4 the External Auditors have highlighted an unadjusted misstatement of £580k that relates to the accounting for capital grants, the Council is proposing not to amend this because it is not material and will be corrected as part of the 2025/26 accounts. The amendment would affect many figures within the financial statements, if it had been corrected

- 2.34** The accounts are scheduled to be signed by the Auditor General in December 2025.
- 2.35** Shared Regulatory Service
- 2.36** The audit of the Shared Regulatory Services is ongoing and expected to finalise early in 2026.
- 2.37** The Shared Regulatory Service Joint Committee is the body charged with governance to approve the accounts. The Shared Regulatory Service Accounts will then be brought to the next meeting of this Committee following sign off by Audit Wales.
- 2.38** Vale, Valleys & Cardiff Regional Adoption Service
- 2.39** The Vale, Valleys and Cardiff Regional Adoption Service accounts are still subject to completion following which they will be submitted to Audit Wales. There has been some lengthy discussion on the reporting requirements which has caused this delay.
- 2.40** The Regional Adoption Committee is the body charged with governance to approve the accounts and the return will then be brought to the next meeting of this Committee following sign off by Audit Wales.

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

- 3.1** The Council's revenue budget and therefore its expenditure is incurred in order to achieve its corporate priorities as set out in the Corporate Plan through the 4 well being outcomes.

4. Climate Change and Nature Implications

- 4.1** There are no Climate Change and Nature Implications associated with this report.

5. Resources and Legal Considerations

Financial

- 5.1** The Financial considerations are set out in the body of the report.
- 5.2** The 2024/25 Vale of Glamorgan Statement of Accounts and Shared Regulatory Service Statement of Accounts have been prepared within existing staff resources. The same applies to the work underway on the production of the Vale, Valleys and Cardiff Regional Adoption Service Statement of Accounts.

Employment

- 5.3** None as a direct consequence of this report.

Legal (Including Equalities)

- 5.4** The Statement of Accounts is prepared in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 (as amended).

6. Background Papers

None



Vale of Glamorgan Council

ANNUAL GOVERNANCE STATEMENT 2024/25

October 2025

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Draft Annual Governance Statement 2024/25

Executive Summary

The Council is required to demonstrate it has good and effective governance arrangements in place in line with the “Delivering Good Governance in Local Government Framework” (CIPFA/SOLACE, 2016). This Annual Governance Statement (AGS) explains how the Council has complied with the terms of this Framework for the year ended 31st March 2025. It outlines what has changed, improved or developed in year and identifies any areas for improvement to further strengthen the sound governance arrangements already in place. The Council's Code of Corporate Governance forms part of its Constitution and details the governance framework arrangements it has in place to support the AGS.

Generally, there are good governance arrangements at the Vale of Glamorgan Council. There is demonstrable evidence of compliance with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016) and how the Council meets the requirements of the Accounts and Audit (Wales) Regulations 2014.

Appropriate policies and procedures are in place to support good governance and a significant amount of relevant information is published on the Council's website demonstrating transparency and openness.

Appropriate action was taken to address the Significant Governance Issues identified in 2023/24 (page 33) in order to improve the overall governance arrangements, although some issues are ongoing, are impacted by external influences and not totally within the control or capacity of the Council. Many of the issues identified are as a result of financial pressures on the Council.

Governance and risk issues for 2024/25 have been identified (page 34) and action will be taken to either improve the arrangements or minimise the risk during 2025/26.

What did we do well in terms of governance in 2024/25?

A Panel Performance Assessment (PPA) was undertaken in November 2024. This was a constructive exercise timed to fit with the development of the new Corporate Plan (Vale 2030). The PPA report and response were approved by Council in March 2025 and considered alongside the budget for 2025/26 and the new Corporate Plan for 2025-30, Vale 2030. The report has already led to a number of changes and action is underway to take forward the recommendations of the PPA report.

The Panel concluded that overall, the Council exercises its functions effectively... and there were no identified areas of concern, and that from the evidence they heard and within the current high levels of service demand and financial pressures

faced by all local authorities across Wales the Council is using its resources effectively and efficiently. The Panel also concluded that the Council has effective governance arrangements in place but there are areas which could be further developed.

Key recommendations were made by the Panel in relation to the Council's Governance arrangements, including:

- Reviewing and revising the cycle of formal democratic meetings and formal reporting requirements, exploring ways to better engage members in more proactive and cross chamber collaboration – in both formal and informal ways including reviewing the effectiveness of online meetings.
- Reviewing the balance between the internal corporate demands placed on members and their role as representatives of their constituents to deliver the Council's vision of place.
- Using the strong local politics as a force for good, whilst ensuring civility in public life is promoted and kept front and centre to encourage respectful and constructive debate including online and in-person meetings.
- Enhancing the effectiveness of the Council's scrutiny arrangements, specifically meetings, by assessing current practices to identify opportunities for improvement to make them more effective.

In response to this, the Council has undertaken a significant amount of engagement with elected members, and embarked upon a journey of "Reshaping Scrutiny", which was agreed by Full Council in 2024/25 to be implemented in the 2025/26 municipal year.

What do we need to improve?

From a review of the Council's governance arrangements and their effectiveness for 2024/25, no significant governance issues were identified. However, for each Principle we have identified further areas we would like to develop and improve on moving into 2025/26; for ease of reference and to monitor their progress, they have been collated and shown at Appendix B.

The Council continues to operate in a challenging environment financially and in terms of service demands and expectations.

Introduction

The Council is required to demonstrate it has good and effective governance arrangements in place in line with the “Delivering Good Governance in Local Government Framework” (CIPFA/SOLACE, 2016). This Annual Governance Statement (AGS) explains how the Council has complied with the terms of this Framework for the year ended 31st March 2025. It outlines what has changed, improved or developed in year and identifies any areas for improvement to further strengthen the sound governance arrangements already in place. The Council's Code of Corporate Governance forms part of its Constitution and details the governance framework arrangements it has in place to support the AGS. The AGS is included within the annual Statement of Accounts.

The Council promotes a culture rooted in shared values, ethical principles, and good conduct. This culture shapes the implementation of the long-term vision and influences the day to day actions of members and officers. Its values are Ambitious, Open, Proud, Together.

The behaviour of elected members and officers is regulated by codes of conduct, which include a mandate for declaring any conflicts of interest. The roles and responsibilities of are outlined in procedural standing orders, delegation schemes, and contract and financial procedure rules. These Codes of Conduct set high ethical standards to ensure public business is conducted with fairness and integrity.

The Council's Code of Conduct for Elected Members is based on the seven principles of public life. This leads to good, effective governance.

A significant part of that framework is the Council's system of internal control. This helps to manage and control the business risks that the Council encounters in delivering its operations. Not all risks can be eliminated but they can be reduced and mitigated by implementing effective systems of control. This can only provide reasonable and not absolute assurance of the effectiveness of the environment. The Council's Governance Framework, including the Council's system of internal control, has been in place for the year ended 31st March 2025 and up to the date of the approval of the Statement of Accounts and is a continuous process.

The key internal controls that were in place in 2024/25 are shown at Appendix A.

The Council's Code of Corporate Governance is the framework which positions the attainment of sustainable economic, social, and environmental outcomes as a key focus of good governance processes and structures. The focus on sustainability and the links between governance and public financial management are crucial – local authorities must recognise the need to focus on the long term.

As with all work undertaken by the Council, the Annual Governance Statement reflects the Council's responsibilities under the Well-being of Future Generations (Wales) Act 2015. The Council recognises the need to ensure that in line with the sustainable development principle it takes account of how its decisions may impact on future generations. The Council has embedded the five ways of working across

its activities and in delivering its priorities from Vale 2030 it will maximise its contribution to the seven national Well-being Goals.

Scope of Responsibility

The Vale of Glamorgan Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for and used economically, efficiently and effectively. This is reflective of the duties under the Local Government & Elections (Wales) Act (2021), Part Six, also. The Council sees Corporate Governance as doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Strong, transparent and responsive governance enables the Council to put citizens first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain citizens confidence, these mechanisms must be sound and be seen to be sound.

The 7 principles of the CIPFA and SOLACE Framework - Delivering Good Governance in Local Government 2016 are set below:

Governance Principles:

- A** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B** Ensuring openness and comprehensive stakeholder engagement.
- C** Defining outcomes in terms of sustainable economic, social and environmental benefits.
- D** Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E** Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F** Managing risks and performance through robust internal control and strong public financial management.
- G** Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

The Council's detailed framework of its governance arrangements are set out in the Code of Corporate Governance, which forms part of our Constitution and is available on our website at [Code of Corporate Governance](#); in accordance with Delivering Good Governance in Local Government 2016.

The overarching governance framework in place for the Council is shown at Fig.1.

The important relationship between the Governance Principles and Internal Controls are shown at Fig.2.

Fig. 1.

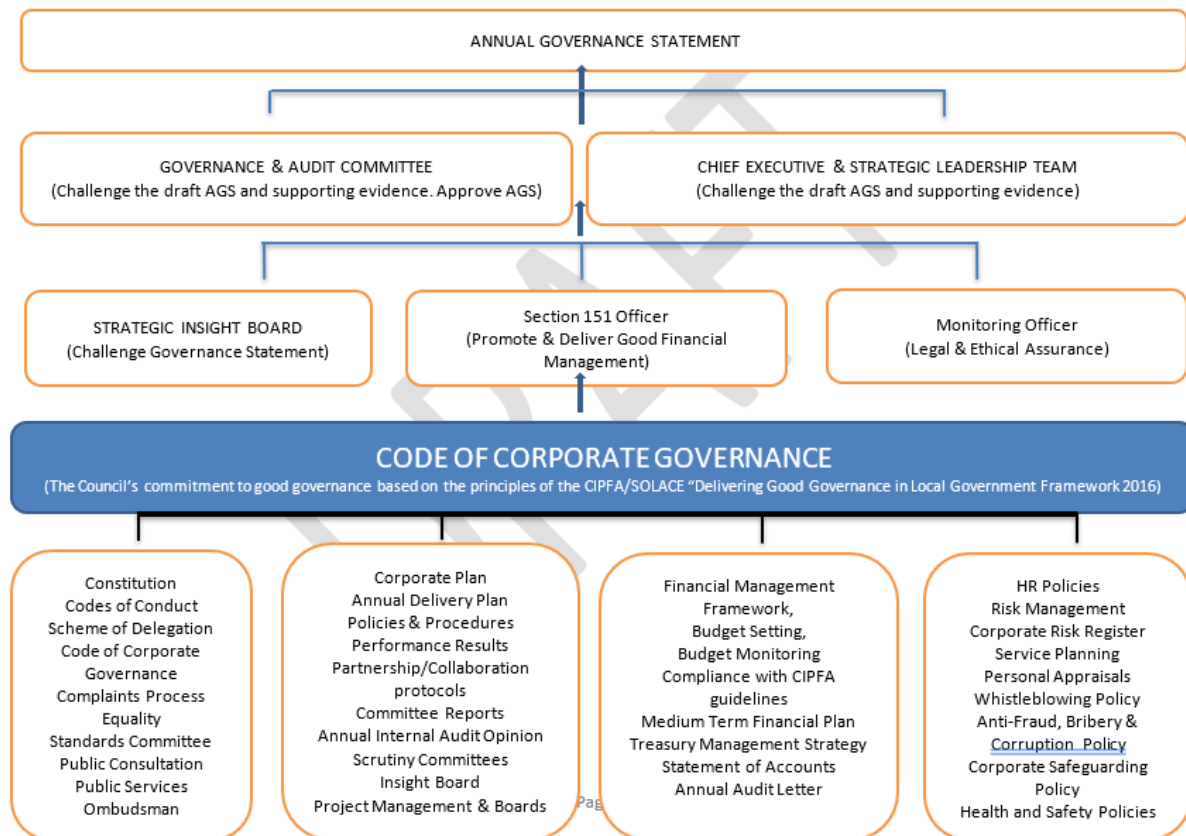
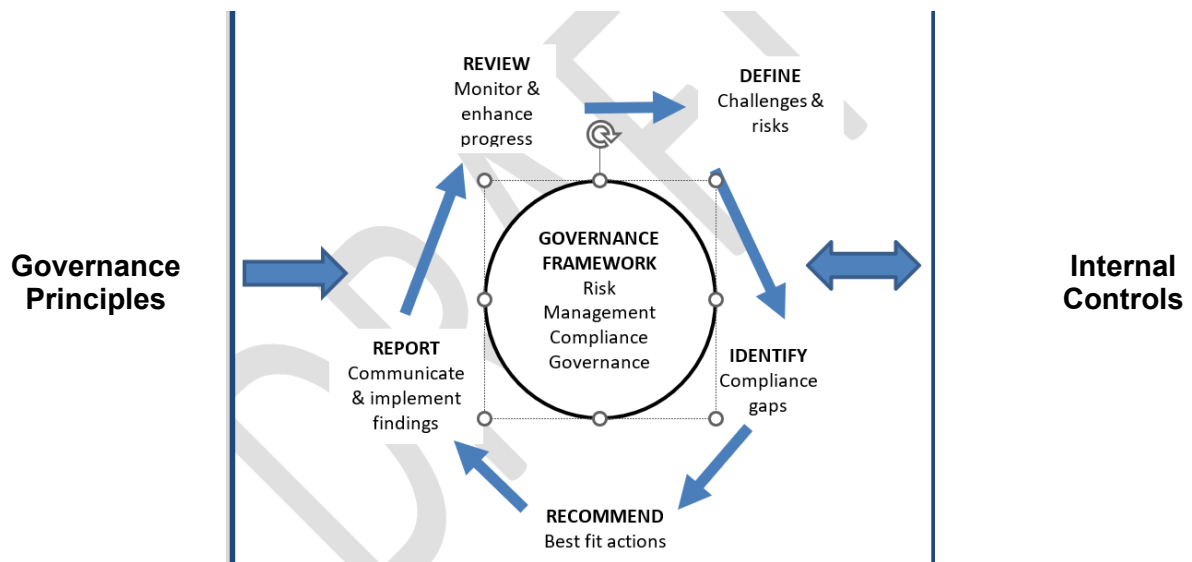


Fig.2

Relationship Between Governance Principles and Internal Controls



The following sets out for each of the Principles, the changes, improvements and developments in year and areas for improvement in 2025/26,.

Principle A: *Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law*

Changes, improvements or developments in year	• The Council promotes shared values. The roles and responsibilities of Elected Members and officers, including adherence to Codes of Conduct and managing personal and conflict of interests are outlined in the Council's Constitution. • The Standards Committee, chaired by an independent co-opted member, oversees ethical standards, Member training, and complaints, while the Monitoring Officer (Head of Legal and Democratic Services) has statutory duties to report any illegal activities or maladministration. • During 2024/25, the Standards Committee met six times, reviewed reports with political Group Leaders, approved its Annual Report, and reviewed reports from the Public Services Ombudsman for Wales and the Adjudication Panel for Wales. • The Committee also received updates on the Civility in Public Life work programme and reinstated Independent Members' observation meetings of town and community councils . • Members of the Standards Committee observed Full Council meetings on a cyclical basis and fed back to Members accordingly surrounding standards within the Council Chamber. • The Monitoring Officer received six complaints about Member conduct: four involved community councils and two involved Vale of Glamorgan Council members. The Public Services Ombudsman for Wales found no evidence of a breach in two cases, is investigating one, considering another for investigation, and referred the remaining two to the Standards Committee for hearings anticipated in July and December.
Areas for Improvement 2025/26	• Review the Local Dispute Resolution Procedure, procedures for hearing complaints, and refresher training, as well as section 19 of the Council's Constitution. • The Standards Committee will: – aim to broaden its representation – enhance Independent Members' observations of TCC meetings

	– improve access to e-learning and member briefings • Prepare for Member development and induction ahead of the May 2027 elections, alongside a review of the Council's Constitution and the Whistleblowing Policy, with more outcome-focused reports to the G&A Committee. • Undertake further observations of Town and Community Council meetings across the Vale of Glamorgan to promote high standards of conduct by Town and Community Councillors.
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Principle B: *Ensuring openness and comprehensive stakeholder engagement*

Changes, improvements or developments in year	• The Council is committed to understanding and learning from the views of the public. The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people. • The Council has a Public Participation Strategy which explains how we will encourage and facilitate public participation in the Vale of Glamorgan. It also sets out how we will be diverse in our engagement methods, using social media platforms, community connectors and face-to-face engagement, to take an integrated approach to public participation. Our strategy seeks to provide as many stakeholders as possible the opportunity to participate and become involved in the decision-making process, enabling people to shape what we do and how we do it. • The Public Participation Strategy was approved in May 2022 and is split into three key workstreams which are: • Reach. Maximising opportunities for as many voices as possible to be heard, using variety of mechanisms. • Involve. Targeting activity to ensure different communities are offered different opportunities to participate.
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	• Represent. Making sure the views gathered are presented to decision makers at the right level, and that elected members are effective advocates for participation and have skills and tools to fulfil their role in increasing involvement. • The Council has always sought to develop the methods used to engage with stakeholders in a way that is accessible and convenient, seen during the year relating to the Corporate Plan and Place Making Plans. • The Council has also expanded its use of social media to include social media polls and encouraging residents to leave 'comments' expressing their views. Data from both the polls and comment section have then been used in reports such as the budget. We have also used social media to promote Council meetings, consultations, alongside bespoke videos to promote greater understanding of the issues in question. • The Council hosts face to-face engagement sessions where possible and provides consultation documents online. • Members of the public can ask questions at Full Council, with a number of questions being answered during the year. • The Council enables members of the public to speak at Scrutiny meetings and Planning Committee, to provide Members with the public's viewpoint surrounding any initiatives being undertaken. They can also make written representations to Committee. These opportunities were undertaken numerous times throughout the year, with a notable example being Environment and Regeneration Committee (28th January 2025). • Youth Voice is embedded within Scrutiny arrangements surrounding Learning and Skills, as representatives of Vale Youth Forum, regularly attended Learning and Skills Scrutiny Committee as a co-opted member and participated in discussions. • Since 2018 the Council has carried out Staff Surveys every two years, providing all staff with the opportunity to engage and rate on several factors, also providing the opportunity to pulse check staff wellbeing. Following the publication of the results, a corporate action plan is created to make improvements.
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	• Staff Wellbeing Champions and Mental Health champions continued working together to organise virtual activities to support staff wellbeing, working in collaboration with the Health & Safety and occupational health teams to continue to develop the wellbeing offering. 2024/25 saw further development of stress risk assessments to support the mental wellbeing of our staff to stay in work and reduce absenteeism. This has been enhanced through the evolution of the Learning Café, which has seen the development of a number of key workstreams in 2024/25, including Wellbeing. This cross-functional group leads on a number of wellbeing themes across the year, including physical, emotional and financial wellbeing. In 2024/25 learning opportunities and courses included financial wellbeing, how to budget and plan, digital tools to support wellbeing and a wider campaign for Stress Awareness Month. • A revised reward offering 'My Vale Rewards', which included an employee wellbeing hub, was developed in 2024/25. • The Council also has a number of staff networks with whom Corporate Resources colleagues collaborates closely with to shape policy changes and foster an open dialogue. 2024/25 saw the newly formed group 'Abl', supporting employees with disabilities. Feedback is sought on matters impacting various groups within the council, ensuring an inclusive and responsive approach and the creation of inclusive workspaces where all staff feel safe to contribute, celebrate our differences and be the best the Council can be. 2024 has included the review of the Special Leave Policy, Recruitment and Retention Strategy and Hybrid Working arrangements. • Decisions made by the Council and/or Cabinet are documented in the public domain along with reasons for those decisions. • "Let's Talk about life in the Vale" was a survey exercise run in partnership with Data Cymru to understand residents' experiences of life in the Vale of Glamorgan and identify their priorities to inform future service delivery. This has featured in developing the Council's Financial Strategy and budget decision making. There were 4,009 responses to the survey. • The Council's Public Participation Strategy is now being refreshed and its actions reprioritised in line with the survey results.
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	The Council has engaged with Members across the Chamber on a frequent basis in shaping proposals surrounding the future of the Scrutiny functions, ensuring that all Members across the political divide had the opportunity to contribute to the Council's future direction.
Areas for Improvement 2025/26	- The e-petitions function is being reviewed in 2025/26 as to how best raise awareness, as the number of petitions received by the Council is minimal. - The Council regularly engages Members beyond Cabinet within its decision making and is seeking to enhance this further during 2025/26 because of the Reshaping Scrutiny workstream and revised Members' Communication Strategy. - As the Council seeks to embed Task and Finish as part of its new Scrutiny arrangements, it is exploring alternative means to encourage participation from the wider public. - Improvement in the completion rates of our performance appraisal process, a wider review on the reason for the decline in completion in 2024/25 will take place. - The Let's Talk About Life in the Vale survey will run again, making use of the standard question set (with some local additions) in collaboration with Data Cymru.

Principle C : *Defining outcomes in terms of sustainable economic, social and environmental benefits*

Changes, improvements or developments in year	Defining outcomes - The Corporate Plan (Vale 2030) is the Council's key strategic document and sets out how the Council's vision of Strong Communities with a Bright Future will be delivered. - Work was undertaken through 2024/25 to develop Vale 2030 which was approved by Council in March 2025. Vale 2030 details outcomes that will be delivered against each of the five new well-being objectives and this has framed conversations throughout the development of Vale 2030 focusing on what the Council is working to achieve and the outcomes that will be delivered. This builds on recent work with Audit Wales on more outcome focused performance reports and this approach has continued
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	to be developed through the year in the 2024/25 performance reports and new Directorate Plans for 2025/26. Sustainable economic, social and environmental benefits <u>Annual Delivery Plan (ADP) 2024/25</u> • The ADP 2024/25 was informed by what residents, partners, elected members and staff told us through various engagement and consultation activities including our residents' survey, Let's Talk. The ADP reflected the findings from the work of our regulators, our Annual Self-Assessment Reports and the Council's performance in the national context. The 2024/25 ADP set out actions to deliver the final year of the Corporate Plan and detailed three critical challenges for the year. The critical challenges were: – Organisational Resilience (our people, finances, assets and public engagement) – Cost of Living Crisis – Climate and Nature Emergencies <u>Developing new Objectives for Vale 2030</u> • Vale 2030 is a further evolution of the previous Corporate Plan and the ADP. Achievements from the previous plan, local needs and available resources and the views of residents, partners, and staff informed the new Plan. The Council has embraced the Well-being of Future Generations (Wales) Act 2015 (WFGA), and Vale 2030 has been framed around five new Well-being Objectives that are aligned to the well-being goals of the WFGA: – Creating great places to live, work and visit – Respecting and celebrating the environment – Giving everyone a good start in life – Supporting and protecting those who need us – Being the best Council we can be
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	• Vale 2030 is underpinned by a set of enabling strategies including the Asset Management Plan, Medium Term Financial Plan, People Strategy, Workforce Plan, Digital Strategy, Strategic Equalities Plan, Performance Management Framework and Risk Management Strategy and Register. • Throughout 2024/25 there was a strong emphasis on partnership working. Work was undertaken with Cwmpas to engage with external partners and council officers to explore how work could be enhanced to deliver better outcomes and respond to the Audit Wales recommendations; this has led to a strong emphasis on tackling poverty and the inclusion of a Partnership Statement in Vale 2030. Partners have been engaged throughout the development of Vale 2030 and there has been support for its direction. How the Council works in partnership was also explored as part of the PPA and led to a stronger emphasis in the final plan on the importance of partnership working to successfully deliver the outcomes detailed in Vale 2030. <u>Annual Self-Assessment</u> • Both the Local Government & Elections (Wales) Act (2021) and the Well-being of Future Generations (Wales) Act 2015, place specific duties on objective setting, self-assessment and performance reporting. The Annual Self-Assessment Report is one of the most significant documents produced by the Council that is used to demonstrate effective accountability and transparency. • The Annual Self-Assessment Report presents a position statement on the Council's performance retrospectively over the past year in delivering the Council's priorities as set out in the ADP aligned to the Corporate Plan. The Council's self-assessment judgements and areas for improvement are subject to internal peer challenge via the Leader, Chief Executive, cabinet portfolio holders and relevant Scrutiny Chairs, followed by a moderation exercise to ensure consistency in approach. External challenge is sought via engagement with staff and key partners including the public. This ensures that improvement areas are reflective of emerging insight. Vale 2030 will be supported by annual Directorate Plans and associated performance targets as well as a published Annual Statement. • The draft Annual Self-Assessment 2024/25 will be considered by Cabinet in July 2025 before consultation is undertaken with the public and relevant committees including Governance and Audit
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	Committee. It comprises three main judgements as listed below and has reached an initial judgement of ‘good’ against all three areas. This may change following consultation. – How well is the Council performing? – How well is the Council using its resources? – How effective is the Council’s governance? • The Annual Self-Assessment Report for the period 2024/25 represents the final year of the Corporate Plan 2020-2025 and will be published in Autumn 2025. <u>Panel Performance Assessment</u> • The Local Government and Election (Wales) Act 2021 (LG&E) requires the Council to arrange and respond to an independent Panel Performance Assessment (PPA) at least once during an electoral cycle. The PPA was undertaken in November 2024 by an independent peer panel which was supported by the WLGA. The Panel considered how well is the Council performing, how well is it using its resources and how effective is the Council’s governance. The Panel concluded that overall, the Council exercises its functions effectively and there were no identified areas of concern, and that from the evidence they heard and within the current high levels of service demand and financial pressures faced by all local authorities across Wales the Council is using its resources effectively and efficiently. The Panel also concluded that the Council has effective governance arrangements in place but there are areas which could be further developed. • The Panel were also asked to look specifically at whether the Council’s approach to developing the Corporate Plan and the associated performance arrangements set an ambitious but realistic vision for the Vale and enable the Council to demonstrate delivery of key outcomes. The PPA and the subsequent report are positive, and work is already underway in response to the recommendations. In their report the Panel describe the Corporate Plan as “ambitious” and that “the Council has been astute in timing the PPA to assist in the development of the draft corporate plan”. The Panel conclude the Council “is at an early stage of demonstrating outcomes” and “whilst staff are behind the ambition in the Corporate Plan, some expressed concern about the capacity to deliver it.
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	• The Panel made four recommendations relating to: Planning for Place, Signalling Change, building on existing strong partnerships and governance and using resources effectively. In response, a number of changes were made to Vale 2030 to help with communicating the vision and ambition and to emphasise the importance of partnership working. A Communications Plan was developed to support publication of the Corporate Plan both internally and externally including a stakeholder event with partners hosted by the Leader and Chief Executive. This formed part of the Signalling Change Plan which has been developed and includes activities around member development, Learning Cafes, performance reporting and scrutiny. Changes have also been made to scrutiny committees in response to the report and aligned to Vale 2030. <u>Strategic Insight Board</u> • The Strategic Insight Board is a cross-directorate management Board which provides a strategic focus on the key corporate issues being taken forward by the organisation and is chaired by the Chief Executive. The Board meets monthly, and its work supports integrated planning across the organisation. One of the roles of the Board is to track regulatory recommendations and ensure there is appropriate discussion and monitoring of our response to recommendations in local and national reports. The work of the Board is set out in a forward programme and reports into SLT. <u>Programmes and Projects</u> • To support the work of Cabinet and SLT and to take forward key projects within the organisation a number of boards exist. Some boards are Council wide and include elected Members. Examples of some of the established boards are the Information Governance Board, the Project Zero Board, the Barry Partnership, School Investment Board, Strategic Housing Board, Waste Management Project Board and the Families First Management Board. Some of these boards will be partnership boards and others will consist of Council officers. • Cabinet and SLT form the Reshaping Board which maintains operational oversight of the delivery of the overall Reshaping Programme. A number of supporting programme boards and project teams have been established for specific workstreams and they will report to the Reshaping Board. • Where projects are of particular interest to Scrutiny Committees, some have established work or groups or undertaken task and finish scrutiny to understand an area further and seek to develop a
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	proposal or function via recommendations to Cabinet. Examples of this during 2024/25 include a Task and Finish group related to procurement to review the Council's approach (reflecting upon recently introduced legislation). <u>Finance/Budget</u> • The Council has a successful track record of delivering a balanced budget made possible by its robust approach to managing finances which incorporates an effective corporate framework for financial planning, financial management and control. • The Council published its Financial Strategy in July 2024 reviewing the Medium Term Financial Plan Assumptions as well as setting out the approach to budget setting alongside the Reshaping Transformation programme and development of the new Corporate Plan – Vale 2030. The Reshaping Prospectus was approved by Cabinet in October 2024 which is key to the move to sustainable finances and a fully populated five year Medium Term Financial Plan. • A further refresh of assumptions and update on funding was provided to Cabinet in November, relatively late due to the timing of the new Government's first budget Statement. • The Council's HRA Business Plan and Rent Setting report were subject to scrutiny ahead of being recommended through to Council by Cabinet in the first week of January. Despite the tight timeframe, the scrutiny process was judged to having added value. • The Council's Budget for Consultation came forward to Cabinet in mid January allowing a four week period for public consultation and scrutiny before Cabinet reviewed the draft budget in late February for Council approval on 10 March ahead of the statutory deadline. The consultation was more meaningful than in previous years with Equality Impact Assessments in place for all of the savings proposals. The draft/final budget proposals included a clear vision for how the various Reshaping themes would combine to balance the budget over the medium term. • There was regular monitoring of the Council's financial position in year through quarterly monitoring to Cabinet and Scrutiny and management through the Savings Tracker developed ahead of the start of the financial year. There were significant overspends in schools and social care and a shortfall in
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	the delivery of savings. The school overspends are of concern with their reserves in overall deficit requiring an underwrite from the Council's overall reserves. Improvements made in 2024/25 • The development of Vale 2030 involved partners and staff and was informed by public engagement and consultation and the PPA. • Detailed outcomes included in Vale 2030 set out what people can expect to be delivered. • Stronger emphasis on partnership working throughout Vale 2030, including a dedicated Partnership Statement. • A draft People Strategy has been developed and will be consulted on in the summer 2025 for ratification in the autumn. • Portfolio of Reshaping projects and programme management arrangements have been agreed. • A central Reshaping Transformation Team has been established in Corporate Resources to support services to deliver projects. • Guidance regarding terms of reference for Boards has been issued. • Equality Impact Assessments were in place for all budget proposals for public consultation and scrutiny. • A vision for the delivery of sustainable finances has been established through the Reshaping Programme's five themes.
Areas for Improvement 2025/26	• Ongoing communications about Vale 2030 as part of the Signalling Change plan and the development of a new Communications Strategy to raise awareness with residents, staff and partners about the priorities detailed in the new Corporate Plan. • Stronger emphasis on outcomes when reporting progress through 2025/26 both at Officer and Member level and making connections with the new Communications Strategy. • Promotion of the partnership statement to partners and officers.

	• Review of the approach to the Annual Self Assessment to reflect feedback and align to Vale 2030 and Directorate Plans. • Review of the Strategic Insight Board in light of developments across the Council, including through Reshaping. • It is anticipated that changes to Scrutiny ways of working will see an increase in the amount of task and finish activity during 2025/26. • Early budget decision making to ensure full delivery of savings programmes.
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Principle D: <i>Determining the interventions necessary to optimise the achievement of the intended outcomes</i>	
Changes, improvements or developments in year	• The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. The Council must have robust decision-making mechanisms in place to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. The Council recognises that informed decision making is a fundamental part of good governance. Decision makers receive objective analysis of a variety of options indicating how intended outcomes would be achieved together with the risks associated with those options. In determining how services and other courses of action should be planned and delivered, the Council is increasingly engaging with internal and external stakeholders more. <u>Working in Partnership</u> • The Council fosters effective relationships, partnership and collaborative working and contractual arrangements with other public, private and voluntary organisations in delivering services that meet the needs of the local community as stated in Vale 2030. The Section 16 Forum is a good example

	of the Council working with partners to improve outcomes and commissioning arrangements within social care. • The Council participates in number of key partnerships including the Public Services Board and the Regional Partnership Board. An internal officer group within the Council ensures that connections are made across these partnerships and information shared. In 2024/25 this group commenced work to map partnership activity, consider effectiveness and how the different partnerships could assist in delivering Vale 2030 priorities. Cabinet receives a six-monthly report on Strategic Collaborations to maintain oversight of these and there is a Strategic Partnerships Group of Officers in operation. • One of the Council's key strengths is its ability to explore opportunities to work in partnership with others and it has developed a robust approach to collaborative working to enable it to maximise benefits for its customers and residents. The Council has developed and hosts several regional services, including the Shared Regulatory Service, Regional Adoption Service and the Regional Internal Audit Service. <u>Performance Management</u> • The Council aims to deliver high quality services that provide value for money, and which are aligned to the needs and priorities of the local community. The Council is committed to ensuring that the relevance of the Well-being Objectives in the Corporate Plan continue to reflect the priorities for the Vale of Glamorgan. • The Annual Performance Calendar of activities is the Council's key means of complying with the WBFG Act and the Local Government & Election Act to demonstrate achievement of our Corporate Plan Well-being Objectives and contribution to the national well-being goals. The completion of the key activities outlined in the 2024/25 Annual Performance Calendar culminated in the approval and publication the Annual Delivery Plan and Service Plans in March 2024 for the period 2024/25 and the Council's third Self-Assessment under the LG&E Act (published in January 2025). • Engagement work with Elected Members, key partners, other stakeholders and council officers throughout the year (as part of a planned programme of collaboration) continues to help shape the key plans and activities within the performance calendar to further strengthen our approach to self-assessment and the evidence base/insight for identifying our improvement areas and ensuring
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	appropriate and timely action is taken to address them. This process is reviewed annually at the start of the year to identify further enhancements to the approach that will further strengthen the extent to which the Council is meeting the performance requirements and contributing to the national well-being goals. - Throughout the life of the 2020-25 Corporate Plan the Council has undertaken annual Service Planning that is aligned to the commitments set out in the Annual Delivery Plan (ADP) 2024/25 and Corporate Plan. Service Plans have been the delivery arm of the ADP specific to each service area. Service plans include detailed actions and performance targets that contribute towards the achievement of Corporate Plan and ADP priorities and set out how resources will be used to support this work. - Throughout 2024/25 Scrutiny Committees have reviewed the progress of Service Plans on a quarterly basis, including the achievement of set targets and actions. Performance has been presented as a singular report, by Well-being Objectives; this integrated and cross-cutting approach has enabled a more holistic approach to monitoring. Regular briefing sessions with Members on performance management enables them to further develop their skills and understanding, and to shape how performance is reported. - During 2024/25, as part of the development of Vale 2030 performance arrangements have been reviewed; the above approach has been revised to further strengthen the arrangements that will support delivery of the commitments in Vale 2030. Additionally, performance reports are being streamlined, making them sharper and more outcome focussed. Work is underway with Members to develop a thematic scrutiny committee structure to further enhance accountability and transparency. Improvements made in 2024/25 - Replacement of the ADP and 15 service plans with an Annual Statement and 5 Directorate Plans for 2025/26.
Areas for Improvement 2025/26	Development of new performance reports aligned to Vale 2030 and the new Directorate Plans and new scrutiny arrangements and reflecting Audit Wales recommendations regarding service user perspective, more outcome focused reports and alignment with financial information.

	• From April 2025/26, an Annual Statement will replace the current Annual Delivery Plan outlining some of the key outcomes to be achieved in the coming year informed by the ASA, resident voice and political priorities. Strategic annual Directorate Plans will replace existing Service Plans. • Progress work associated with the Partnership Statement in the delivery of Vale 2030.
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Principle E: *Developing the entity's capacity, including the capability of its leadership and the individuals within*

Changes, improvements or developments in year	• The Strategic Leadership Team consists of the Chief Executive, five Corporate Directors, the Monitoring Officer, the Section 151 Officer, the Head of Digital and the Head of Human Resources. The roles and responsibility of Corporate Officers are defined in agreed job profiles and set out in the Council's Constitution. Chief Officer Performance is reviewed on an annual basis in accordance with the Chief Officer Appraisal process, this was reviewed for 2023, and further embedded considering feedback in 2024, with a revised process introducing greater touchpoints and more robust methods of reviewing performance including peer-to-peer review and 360° feedback. • The Chief Executive is responsible and accountable to the Council for all aspects of management including promoting sound governance, providing quality information / support to inform decision-making and scrutiny, supporting other statutory officers, and building relationships with all Councillors. • The Council aims to ensure that Members and officers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well-trained and competent people in effective service delivery. • All new Members and staff undertake an induction to familiarise them with protocols, procedures, values and aims of the Council. Following the Local Government Elections Act 2021 a full comprehensive induction programme for Members, Co-opted Members and Lay Members was put in place with a number of elements of the training determined as mandatory training by the Council e.g. Code of Conduct. Work to review these arrangements commenced in parallel with Reshaping Scrutiny activity.
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	• A Member Development Strategy provides a framework for supporting Members in the numerous roles that they are required to undertake both within, and outside, the Council. This programme identifies a range of topics to support Members in their development based upon feedback received from Members during a Learning Needs Self-Assessment Exercise. This exercise resulted in a revised Development Programme being agreed in February 2025. Members are also able to reflect upon their training and knowledge needs during the personal development review process. • The Council operates an Executive decision-making system, with Scrutiny Committees being a key avenue of informing policy development within the Council. During 2024/25, the Council operated with five Committees, with their outcomes reported via a Scrutiny Committee Annual Report. Alongside this, the Scrutiny Chairs and Vice-Chairs group also regularly met to share best practice. • Alongside the Scrutiny Chair and Vice-Chairs Group, all Members were engaged during 2024/25 to co-produce work to enhance the scrutiny function, entitled Reshaping Scrutiny. This work was commissioned to address feedback, such as Audit Wales recommendations, resident and Member feedback, and most notably, the Council's Performance Panel Assessment. Changes were agreed by Full Council in April 2025. • Changes being introduced to enhance the role and functioning of Scrutiny will become effective in 2025/26. • Members continue to receive refresher training and support (including Co-opted / Lay Members and observers on Committees) on the use of virtual / hybrid meeting software. Democratic Services officers continue to support all Members and the public who are registered to speak on the use of the virtual /hybrid meeting platforms as required prior to and during meetings. A trouble shooting / quick guide and useful aide memoire has been made available to all Members and Co-opted/ Lay Members. • The Training following the Local Government Elections 2022 included both Mandatory and non-Mandatory training, for example: – Finance – Induction Event – Ethics and Standards
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	- Equality and Diversity - Corporate Safeguarding - Rules of Debate - GDPR – e-learning on IDEV - Chairing skills – if a chair of a committee - Specific Training in respect of a member's role on a committee e.g. Planning. • Cabinet receives an annual report providing an update on progress being made with strategic collaborative working initiatives. The Council continues to work proactively with a range of partners to transform how services will be delivered as well as considering new and innovative models of delivery in line with the Council's transformational change agenda. • Through the established workforce planning and staff engagement processes, the Council continues to maintain a highly skilled and resilient workforce that is responsive to the constantly changing environment. • During 2024/25 the OD and Learning Team have taken further steps to support the development of the Council's people by improving the scope and capacity of the Online Learning System, iDev. In 2023 the Learning Café was revamped and relaunched to provide more opportunities for staff to engage with development opportunities and focus on areas they are interested in developing further, this has continued in 2024 with the development of nine key channels for staff to engage, share best practice and develop these include Project Zero, Community Power, Digital, Leadership and Management, Wellbeing and Project Transformation. This year the Learning Café has held further 'Ask the Chief Executive' along with wider engagement sessions around the development of the new Corporate Plan (Vale 2030) and the Reshaping Programme. • The Council's blended Onboarding and Induction Programme, continues to develop, providing all new starters with key information to ensure they feel welcomed and valued in the Council, whilst ensuring they have the core knowledge to reach competency. All new starters are enrolled from day one in the Council, ensuring they have access to mandatory learning, key information about the Council and access to sign up to our half day in-person induction session, "Welcome to the Vale".
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	• Management development sessions were also held in the Autumn 2024 and Spring 2025 focusing on the development of senior staff and those with line management responsibility. The sessions focused on the development of Vale 2030 and the Signalling Change Plan, including information relating to new Tone of Voice Guidance and the draft 'Brilliant Basics Charter'. • Focus has also been given to enhancing the capability and competency of the Council through wider learning and training initiatives, such as Data Protection Bobi and Cyber security in addition to more robust safeguarding practice, leading to the development of further mechanisms to improve safeguarding awareness training across the Council.
Areas for Improvement 2025/26	• The effectiveness of the revised Scrutiny arrangements will be evaluated at the end of the 2025/26 municipal year. • Further development of digital competence for Members and officers. • A Council wide Skills Mapping exercise as part of the new People Strategy and Target Operating Model, looking at the requirement for skills of the future, gaps identified and pathway to achieve and close the gaps. • Delivery of the Signalling Change Plan.

Principle F: *Managing risks and performance through robust internal control and strong public financial management*

Changes, improvements or developments in year	Managing risk • Risk management is an important feature of the Council's governance arrangements, and successful risk management relies on a corporate approach to ensure that all risks are identified and managed systematically and consistently across the Council. The Risk Management Strategy sets out the approach to the identification of and responses to strategic and operational risks and provides essential input to the determination of Council priorities, targets and objectives. During 2024/25, the
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	Council reviewed and revised its Risk Management Strategy as part of the development of Vale 2030. • There is a well-established risk management process in place for corporate and service risks which clarifies the process for escalation of operational risks to reflect the Council's risk appetite. The move to Directorate Plans in 2025/26 will ensure a focus on higher level directorate contributions on corporate themes such as risk and reduce duplication within its Plan. Consideration of corporate themes at DMT level will promote a more integrated and outcome focussed approach to working both within and across directorates. • A key feature of corporate risk management continues to be horizon scanning of emerging risks which are outlined quarterly in a Corporate Risk Summary Report. This supports the role of the Strategic Insight Board, Strategic Leadership Team, Cabinet and Governance and Audit Committee by providing them with an overview of any issues associated with emerging risks and provides an opportunity to scrutinise potential risks in greater detail. • The Corporate Risk Summary Report identifies a small number of risks on the register each quarter where a more detailed brief of the issues is highlighted. This gives both officers and Members a spotlight for discussion prompting more detailed scrutiny and analysis and enabling the identification of any further action where required. Quarterly monitoring of service risks identified through the service planning process enables risk owners to reduce, eliminate and manage their service risks. As part of quarterly monitoring emerging areas of concern specific to each scrutiny committee's remit is detailed enabling Members to have ongoing oversight of emerging issues, challenges and risk associated with well-being objectives. • Assurance is sought annually on a sample of corporate risks and corporate risk management oversight arrangements as part of the Annual Internal Audit Plan. Reasonable and Substantial audit opinions have been provided on our corporate risks and our risk management oversight arrangements over the past four years. A Substantial opinion was issued by Internal Audit during 2024/25 following implementation of the revised strategy. The review highlighted that the Council's corporate risks continue to be appropriately managed with progress effectively reported. During the audit, strengths and areas of good practice were identified as follows:
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	- The Corporate Risk Management Policy 2024 to 2028 clearly defines the roles and responsibilities of boards, committees, and staff at different levels. - Oversight and Governance at both a corporate level and individual risk level was in place. - There is evidence of challenge from Governance and Audit Committee being responded to. - No recommendations were made indicating that the Council has sound systems/processes in place in terms of how those risks were being managed. Managing performance • There are robust performance management arrangements, to monitor the Corporate Plan and annual commitments as outlined in the Annual Delivery Plan 2024/25. Reports are presented in a focused and accessible way that highlights performance by areas of exception thus promoting more effective scrutiny. Members can also influence the information they receive to support their scrutiny roles through Member workshops aligned to the annual performance calendar. Following a proof of concept using the existing Corporate Performance Framework of measures and actions, Power BI has been further developed to support performance reporting and feedback from Members over the year is informing future enhancements. • A self-reflective approach is taken by Directorates to reviewing their performance as part of corporate quarterly performance monitoring arrangements for the ADP culminating with an end of year position statement that dovetails with the Annual Directorate Self-Assessment. Key insights on performance, achievements, challenges and areas for improvement provide an evidence base that informs the Council's Annual Self-Assessment findings. That approach is reviewed every year to ensure the Council continues to improve and embed good practice across all service areas. The success of this approach has helped shape the move from service plans to directorate plans to provide more synergy and integrated activity within Directorates and opportunity for reflection and outcome focused thinking. Robust internal control • The Council has approved an Executive/Scrutiny model of decision making. Full Council sets the policy and budget framework. Within this framework, most key decisions are made by the Cabinet. Cabinet meetings are open to the public. The decision-making process was scrutinised by five
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	Scrutiny Committees, which support the work of the Cabinet as Executive and the Council as a whole. - One of the key functions of internal Audit is to ensure there are robust and effective controls in place across the Council's governance, risk management and internal control arrangements. The Internal Audit Plan 2024/25 included broad coverage of key systems and services provided across all Directorates. As noted below, the overall level of assurance was <i>Reasonable</i>; no major issues identified. Managing data - The Council's Digital Strategy 2023-28 has four key themes: Community and Involvement, Organisation and Processes, Digital People and Skills and Data and Insight. The Strategy sets out how digital progress will be monitored, through a series of indicators with regular progress reports being taken to the Digital Board and the Strategic Insight Board. In response to the Digital Strategy, a Data Strategy has been agreed to further support the development of data derived insight and evidence-based decision making. The Data Strategy was approved in June 2024 and sets out four key themes: Embedding a Data Culture, Taking Forward Insight and Analytics, Ensuring Robust Data Governance and Management and Designing Infrastructure for Data. Against these themes, commitments are set out to ensure delivery of the Data Strategy. Digital Innovation is one of the Reshaping themes and is key to how the Council transforms services and will include activity around payments as well as artificial intelligence. Strong public financial management - The Head of Finance/Section 151 Officer is responsible for the proper administration of all aspects of the Council's financial affairs. The Council's system of internal financial control is based on a framework of the Financial and Contract Procedure Rules in the Constitution. - The Council has an integrated approach to its Corporate and Financial Planning and wider management. This has been particularly prevalent in 2024/25 with the development of Vale 2030 alongside the Reshaping Programme. the Budget and Medium Term Financial Plan.
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	• The Council's self assessment against the CIPFA Financial Management Code was taken to Cabinet and Governance and Audit Committee in April 2024. There was full compliance but the assessment also identified potential areas for further improvement via an action plan and reviewed progress to date on previous actions; it was felt that good progress had been made in demonstrating collective responsibility and transparency in budget setting. Building on the feedback from the previous Financial Management Code a review by Internal Audit was undertaken of elements provide an independent view. • The Council has a proactive, holistic approach to tackling fraud, bribery, theft, corruption and crime, as an integral part of protecting public finances, safeguarding assets, and delivering services effectively and sustainably. The Council investigates matches arising from the National Fraud Initiative and has a Fraud Strategy and Framework in place. • Fraud policies were revised and updated in 2024/25 and taken through Governance & Audit Committee and Cabinet. Improvements made in 2024/25 • Revised risk register and corporate risk strategy. • Identification of risks at Directorate level leading to a more focused and integrated approach to risk management. • Introduction of Directorate Plans. • Use of Power BI within performance reports.
Areas for Improvement 2025/26	• Further integration of risks within Directorate Plans to reduce duplication. • Development of performance reporting in line with Vale 2030, feedback form Members and new scrutiny arrangements. • Development of ongoing Member briefings to address short term training needs alongside to compliment wider, more strategic Member Development Programme.

	Delivery of the digital theme of Reshaping, aligned with the further use of data to inform strategic decision making.
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Principle G: *Implementing good practices in transparency, reporting and audit to deliver effective accountability*

Changes, improvements or developments in year

Complaints

- The Council seeks feedback from the public through its complaints procedure for both Corporate and Social Services areas, responding to the outcomes as appropriate and reporting the results at least annually to the Governance and Audit Committee.

Corporate Complaints	2022/23	2023/24	2024/25
Complaints received	532	835	944
Resolved at Stage 1	94.7%	91%	95.3%
Complaints received by the Public Services Ombudsman for Wales	49	77	63
Investigated by PSOW	0	0	0
Resolved through the early resolution process	15	19	16

- The Council remains committed to implementing good practices in transparency, reporting and audit to deliver effective accountability. This is demonstrated by:
 - Mechanisms which are in place for reporting progress against key regulatory recommendations / improvement proposals via the Strategic Insight Board, Governance & Audit Committee, all Scrutiny Committees, and Cabinet.
 - All Committees have clear Terms of Reference and work programmes.
 - Procedures are in place for sign-off of Cabinet Reports ensuring legal and financial implications have been appropriately assessed and are consistent with corporate policy.

	– The Council reports at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way. • The Internal Audit Service is a key means of assurance. Since 1st April 2019 the Council has hosted a Regional Internal Audit Service (RIAS). This has operated effectively throughout the year and the service operated in compliance with the Public Sector Internal Audit Standards (PSIAS). The Governance & Audit Committee reviewed the RIAS Internal Audit Charter and approved the 2024/25 Internal Audit Annual Plan in June 2024. Progress against the 2024/25 plan was reported quarterly. • The 2024/25 Internal Audit Plan outlined the assignments to be carried out to enable the Head of Internal Audit to form an annual opinion of the Council’s overall control environment including, governance, risk management and internal control. • The work completed by the RIAS for the financial year was sufficient for the Head of Audit to be able to give an annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2024/25: <u>Head of Internal Audit Opinion Statement 2024/25</u> From the work undertaken during the financial year 2024/25 and taking into account other sources of assurance, such as Head Teacher and Chair of Governor Assurance Statements, the Head of Internal Audit’s annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2024/25 is: “Reasonable Assurance” The opinion states that, based on the work completed by the Regional Internal Audit Shared Service for the financial year, no significant cross-cutting control issues have been identified that would impact on the Council’s overall control environment. The weaknesses that have been identified are service specific.
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	Many Council staff are continuing to work remotely, and systems & processes have had to be adjusted to cater for these ways of working. Similarly, Internal Audit has worked remotely, conducting audits and obtaining evidence digitally. Each audit has considered the potential impact of remote working to ensure adequate controls and governance arrangements remained in place. The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation. Andrew Wathan CPFA Head of Regional Internal Audit Service May 2025 • The opinion states that, based on the work completed by the RIAS, no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific • Of the 53 opinions issued by Internal Audit during 2024/25: – 50 (94%) were finalised with either <i>Substantial</i> or <i>Reasonable Assurance</i> opinion levels. – 3 (6%) of the assignments were given an opinion of <i>Limited Assurance</i>. i. Tender Evaluation & Award Follow Up - Building Services (Project & Planned Team Services) ii. ICT Business Continuity Follow Up iii. Office Equipment Inventory – Zero No Assurance opinions • 85% of the Internal Audit Plan had been achieved against a target of 80%. • The recommendations made to improve governance, risk management and control have been accepted and are at various stages of implementation.
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	• Every year schools not subject to an audit are sent a control risk self-assessment and a governance assurance statement by Internal Audit. For 2024/25 the return rate was 100%; the Headteacher and Chair of Governors of each school confirmed they were managing risks effectively, satisfied that statutory obligations have been met and that the overall governance arrangements of the school are satisfactory. – Total of 53 schools; 3 schools were visited and 49 received and completed a CRSA. 1 school's visit was delayed to April 25 hence they did not complete a CRSA or have a visit during 2024/25 • <i>Limited Assurance</i> audit opinions will be followed up in 2025/26. • The Council responds to the findings and recommendations of Internal Audit, External Audit and other inspection bodies. The Governance & Audit Committee is integral to overseeing independent and objective assurance and monitoring improvements in internal control and governance.
Areas for Improvement 2025/26	• Review the governance cycle for Audit Wales reports to minimise duplication between Scrutiny Committees and Governance and Audit Committee.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of the effectiveness is informed by the work of Internal Audit and Chief Officers within the Authority who have responsibility for the development and maintenance of the internal control environment, and by comments made by the external auditors and other review agencies and inspectorates.

The review of effectiveness is informed by:

- ✓ The Annual Internal Audit plan opinion, as provided by the Regional Internal Audit Service
- ✓ The Governance & Audit Committee provides the focus for reviewing the effectiveness of the system of internal control and risk.
- ✓ The Cabinet (as Executive) is responsible for considering overall financial and performance management and receive comprehensive reports on a regular basis. The Cabinet is also responsible for the decisions and for initiating corrective action in relation to risk and internal control issues.
- ✓ The Scrutiny function which holds the Cabinet to account.

The Council's Monitoring Officer has a legal responsibility to look into matters of potential unlawfulness within the Council.

The Performance Framework has operated effectively during the year. Monitoring of key areas of performance has been regularly provided to Cabinet and Scrutiny.

In relation to Corporate Health, the Council continues to perform well in the context of supporting Council services in the delivery of the Corporate Plan Well-being Outcomes. The approach to Integrated Planning, via the Strategic Insight Board, is enabling services to effectively deliver transformational change in line with the Reshaping agenda and the Council's duties under the Well-being of Future Generations Act. Integrated Planning enables the Council to take a more holistic approach to their corporate planning arrangements that include risk management, financial management, workforce planning, performance management and information management. The Council has developed a robust approach to collaborative working, has a successful track record of delivering a balance budget and generally performing well in performance indicators across service areas.

The Council's Annual Self-Assessment under the Local Government and Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015 informed the development of the Council's Annual Delivery Plan for 2024/25. The Council's Annual performance calendar (which includes key activities such as the Quarterly ADP Performance reports, the Annual Directorate Self-Assessments including Internal Peer Challenge and moderation of the DSAs) and the Council Annual Self-Assessment Report for the

period 2024/25 are significant documents used to demonstrate effective accountability and transparency and are key sources of information supporting this Annual Governance Statement.

The Council is dedicated to ensuring that its resources are utilised in the most effective and efficient manner whilst delivering continuous improvement. During the year, a new approach to transformational change via the Reshaping Programme was agreed. This builds upon previous experience, including earlier Reshaping Services projects and the lessons learnt from the pandemic. Reshaping will be a core component of the Council's revenue budget in the coming years and to tackle critical issues for citizens and the organisation.

Panel Performance Assessment

The Local Government and Election (Wales) Act 2021 (LG&E) requires the Council to arrange and respond to an independent Panel Performance Assessment (PPA) at least once during an electoral cycle. The PPA was undertaken in November 2024 by an independent peer panel which was supported by the WLGA. The Panel considered how well is the Council performing, how well is it using its resources and how effective is the **Council's** governance. The Panel concluded that overall, the Council exercises its functions effectively and there were no identified areas of concern, and that from the evidence they heard and within the current high levels of service demand and financial pressures faced by all local authorities across Wales the Council is using its resources effectively and efficiently. The Panel also concluded that the Council has effective governance arrangements in place but there are areas which could be further developed.

Governance

This Annual Governance Statement and the Council's Code of Corporate Governance complies with the Delivering Good Governance in Local Government Framework 2016.

During the year, core financial and administrative systems were reviewed by Internal Audit through specific reviews across all directorates.

The Council's external auditors, Audit Wales, have advised that they have completed most of their planning work for the 2024/25 financial year. They have confirmed that there are no significant issues arising from their work to date.

Statement of Accounts 2023/24

In December 2024 the Council's External Auditor, Audit Wales, provided the Council with an **unqualified opinion** on the Council's 2023/24 accounts within their Annual Audit and Inspection Letter.

Internal Audit Opinion

Based on the assurance, work undertaken by Internal Audit, the Head of Audit has provided an overall Reasonable Assurance opinion on the adequacy and effectiveness of the Council's control environment, governance arrangements and risk management process in place; an opinion of Substantial Assurance on the adequacy and effectiveness of the Council's framework of risk management arrangements was given.

The Head of Audit's annual opinion report was presented to the Council's Governance & Audit Committee on 23rd June 2025. 94% of audit opinions were either Substantial or Reasonable Assurance. No significant or material concerns were identified through the work of Internal Audit.

Significant Governance Issues 2023/24

Action Taken/Planned

General Financial Position

The Council's finances will continue to be a significant issue beyond the current financial year and into the medium term. Whilst inflation is finally coming under control the heightened levels have persisted much longer than anticipated and the prolonged higher bank of England Base Rate has been a real drag on the economy. The prospects for improved final settlements for local settlements going forward are poor.

The Council's budget is coming under pressure in a number of key areas as well as the constraints on funding.

- Homelessness – the higher levels of homelessness driven by the change of regulations during Covid persist and despite the Council's various strategies in this area including the HRA development programme, the financial pressures are likely to continue.
- School deficits – the Council's schools remained collectively in surplus in 2023/24 which was no longer the case across Wales. However, not all of the schools' pressures were addressed in the 2024/25 budget and agreeing balanced budget on a school by school basis is requiring significant energy from the Learning & Skills Team.
- Ongoing ALN/social care pressures – there was reduced intervention and engagement during Covid and the financial impact of this had been built into the 2023/24 and 2024/25 budgets but it remains an area of concern.

Management of Major IT implementations

The Council's Oracle Fusion implementation was delivered and the system is working well. However, its cost was far in excess of the original business case. A comprehensive lessons learnt report was taken to Scrutiny, Governance & Audit Committee and Cabinet across spring 2024 and action plan has been developed and support improved project delivery in the future.

Workforce

Workforce continues to be a key risk for the Council and as such a multi-faceted approach has continued to be adopted. This includes policy and strategy development, for example the reward strategy and work underway in relation to the currently being developed People Strategy, Reshaping Programme, and recruitment and attraction strategy, in addition to the operational elements of absence and attendance management, with more focus on staff wellbeing.

Work continues to develop and evolve the Council's wellbeing strategy, enhanced stress risk assessment approach and the current review of attendance management.

In addition, in accordance with the Council's Learning Plan a refreshed Learning Café approach has been introduced, with a growing membership as part of a

commitment to the development of a learning culture, succession plans and growth of apprenticeship opportunities.

Emerging issues

There were a number of emerging issues not picked up earlier in this Statement.

Social Care system – the platform for the Council's social care system is shortly to move out of support and there have been delays at Welsh Government level to agree the successor systems and funding. The Council is working at a regional level on a solution, but this is at financial risk to the Council with there still being no clarity on Government support. This is recognised on the Council's Corporate Risk Register.

Significant Governance Issues 2024/25

From a review of the Council's governance arrangements and their effectiveness for 2024/25, no significant governance issues were identified. However, for each Principle area further developments have been identified and will be addressed and improved on moving into 2025/26; for ease of reference and to monitor their progress, they have been collated and shown at Appendix B.

The Council continues to operate in a tough, challenging financial environment and in terms of service demands and expectations. Of major concern are the persistent inflation in the UK economy, social Care demand and the pressures on school budgets.

Conclusion

The 2024/25 Annual Governance Statement has comprehensively been updated to clearly demonstrate the Council continues to have good and effective governance arrangements in place and complies with its own Code of Corporate Governance across all 7 Principles. Examples have been given confirming it is in line with the "Delivering Good Governance in Local Government: Framework" (CIPFA/SOLACE, 2016), the Accounts and Audit Regulations 2014, Local Government and Election (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015.

Approval of the Annual Governance Statement 2024/25

Good governance is about running things properly. It is the means by which the Council shows it is taking decisions for the good of the people of the area, in a fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services that meet local people's needs. It is fundamental to showing public money is well spent. Without good governance councils will struggle to improve services.

From the review, assessment and on-going monitoring work undertaken we have reached the opinion that Reasonable Assurance can be given that the governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We can confirm to the best of our knowledge and belief, this statement provides an accurate and fair view.

D.R. Thomas	L. Burnett
<i>Chief Executive</i>	<i>Leader of the Council</i>
Date:	Date:

Internal Controls

Below are the key internal controls that were in place in 2024/25 some of these have subsequently been amended as part of work associated with Vale 2030 our new Corporate Plan and in response to the Panel Performance Assessment.

Leadership, Culture and Planning

- Organisational priorities and outcomes
- Corporate Plan & Annual Delivery Plan
- Directorate and Service/Team plans
- Performance Management Framework
- Medium term financial plan

Policies and Procedures

- Constitution, Codes of Conduct
- Anti-fraud, Bribery and Corruption Policy, Whistleblowing Policy
- HR and OD Policies/Procedures, Corporate Safeguarding Policy, Health and Safety Policies and Procedures, Risk Management Strategy

People, Knowledge, Finance, Assets

- Robust HR, Payroll and H&S practices
- Information governance
- Performance monitoring and improvement
- Member Development Programme
- Financial management and reporting
- Ethical & legal practices

Scrutiny and Transparency

- Information management requests including Freedom of Information (FOI) and Environmental Information (EIR) requests
- Complaints procedure
- Reports considered by Legal and Finance experts
- Equality impact assessments

Partnership Working

- Partnership Statement

Further Areas for Improvement in 2025/26

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	
	• Review the Local Dispute Resolution Procedure, procedures for hearing complaints, and refresher training, as well as section 19 of the Council's Constitution. • The Standards Committee will: – aim to broaden its representation – enhance Independent Members' observations of TCC meetings – improve access to e-learning and member briefings • Preparations for Member development and induction ahead of the May 2027 elections will begin, alongside a review of the Council's Constitution and the Whistleblowing Policy, with more outcome-focused reports to the G&A Committee. • Undertake further observations of Town and Community Council meetings across the Vale of Glamorgan to promote high standards of conduct by Town and Community Councillors.
Principle B: Ensuring openness and comprehensive stakeholder engagement	
	• The e-petitions function is being reviewed in 2025/26 as to how best raise awareness, as the number of petitions received by the Council is minimal. • The Council regularly engages members beyond Cabinet within its decision making and is seeking to enhance this further during 2025/26 because of the Reshaping Scrutiny workstream and revised Members Communication Strategy. • As the Council seeks to embed Task and Finish as part of its new Scrutiny arrangements, it is exploring alternative means to encourage participation from the wider public. • Improvement in the completion rates of our performance appraisal process, a wider review on the reason for the decline in completion in 2024/25 will take place.

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Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits

- Ongoing communications about Vale 2030 as part of the Signalling Change Programme to raise awareness with all partners about priorities detailed in the new Corporate Plan
- Stronger emphasis on outcomes when reporting progress through 2025/26
- Promotion of the partnership statement to partners and officers
- Review of the approach to the Annual Self Assessment to reflect feedback and align to Vale 2030 and Directorate Plans
- Review of the Strategic Insight Board
- It is anticipated that changes to Scrutiny ways of working will see an increase in the amount of task and finish activity during 2025/26
- Early budget decision making to ensure full delivery of savings programmes

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

- Development of new performance reports aligned to Vale 2030 and the new Directorate Plans and new scrutiny arrangements and reflecting Audit Wales recommendations regarding service user perspective, more outcome focused reports and alignment with financial information.
- From April 2025/26, an annual statement will replace the current Annual Delivery Plan outlining some of the key outcomes to be achieved in the coming year informed by the ASA, resident voice and political priorities. Strategic annual Directorate Plans will replace existing Service Plans.

7 -00000	
	• The effectiveness of the revised Scrutiny arrangements will be evaluated at the end of the 2025/26 municipal year. • Further development of digital competence • A Council wide Skills Mapping exercise as part of the new People Strategy and Target Operating Model, looking at the requirement for skills of the future, gaps identified and pathway to achieve and close the gaps.

Principle F: Managing risks and performance through robust internal control and strong public financial management	
	• Further integration of risks within Directorate Plans to reduce duplication • Development of performance reporting in line with Vale 2030, feedback form members and new scrutiny arrangements • Development of ongoing Member briefings to address short term training needs alongside to compliment wider, more strategic Member Development Programme.

Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability	
	• Review the governance cycle for Audit Wales reports to minimise duplication between Scrutiny Committees and Governance and Audit Committee.

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19 May 2025

Dear Matt,

Audit enquiries to those charged with governance and management

The Auditor General's Statement of Responsibilities sets out that he is responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. It also sets out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks documented consideration and understanding on a number of governance areas that impact on our audit of your financial statements. These considerations are relevant to both the management of the Vale of Glamorgan Council and 'those charged with governance' (the full Council, although in practice the Governance and Audit Committee may be better placed to comment on these matters).

I have set out below the areas of governance on which I am seeking your views:

1. Matters in relation to fraud
2. Matters in relation to laws and regulations
3. Matters in relation to related parties
4. General matters
5. Matters in relation to financial reporting
6. Matters in relation to IT systems

The information you provide will inform our understanding of the Council's business processes and support our work in providing an audit opinion on your 2024-25 financial statements.

I would be grateful if you could update the attached table in [Appendix 1 to Appendix 6](#) for 2024-25.

The completed [Appendix 1 to Appendix 6](#) should be formally considered and communicated to us on behalf of both management and those charged with governance by 19 July 2025. In the meantime, if you have queries, please contact me (via 02920320631 or mark.jones@audit.wales).

Yours sincerely

Mark Jones

Audit Manager

Cc

Gemma Jones

Appendix 1

Matters in relation to fraud

International Standard for Auditing (UK) 240 covers auditors' responsibilities relating to fraud in an audit of financial statements.

The primary responsibility to prevent and detect fraud rests with both management and 'those charged with governance'.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error. We are required to maintain professional scepticism throughout the audit, considering the potential for management override of controls.

What are we required to do?

As part of our risk assessment procedures we are required to consider the risks of material misstatement due to fraud. This includes understanding the arrangements management has put in place in respect of fraud risks. The ISA views fraud as either:

- The intentional misappropriation of assets (cash, property, etc); or
- The intentional manipulation or misstatement of the financial statements.

We also need to understand how those charged with governance exercises oversight of management's processes. We are also required to make enquiries of both management and those charged with governance as to their knowledge of any actual, suspected or alleged fraud, management's process for identifying and responding to the risks and the internal controls established to mitigate them.

Enquiries of management – in relation to fraud

Question	2024-25 Response
1. What is management's assessment of the risk that the financial statements may be materially misstated due to fraud? What is the nature, extent and frequency of management's assessment?	There have been no specific fraud issues identified during 2024-25 relating to the financial statements. The Head of Audit's Annual Opinion report provides satisfactory assurance with regards to the key financial systems. The issue of Fraud remains integral part of the Governance and Audit Committee remit. The Committee members have regard to the reports laid before them by internal and external audit/regulators. This informs their review of the financial statements and the level to which there may be a risk of material misstatements. The risk that the financial statements may be materially misstated due to fraud is low
2. Do you have knowledge of any actual, suspected or alleged fraud affecting the audited body?	Instances of potential fraud or error were identified via the National Fraud Initiative or the Council's Speak Out service. These have been dealt with through appropriate processes and any monies incorrectly paid are in the process of being recovered. Not aware of anything material.

Audit enquiries to those charges with governance and management.

Enquiries of management – in relation to fraud

Question	2024-25 Response
3. What is management's process for identifying and responding to the risks of fraud in the audited body, including any specific risks of fraud that management has identified or that have been brought to its attention?	The Council's Regional Internal Audit Service has a key role in the identification of and responding to the risk of fraud. The Annual Audit Plan is based on risk and includes an annual review of key financial systems and contingency provision for fraud work as it arises. Auditors are mindful of the potential presence of fraud when undertaking audits. All issues of possible fraud are reported and allegations are investigated by Internal Audit and/or the Council's Corporate Fraud Officer and potential weaknesses in the control environment are identified and reported. Any matters of significance are reported to the Chief Executive, Head of Finance and relevant Director. The Council's updated Counter Fraud Strategy & Framework 2021 to 2024 was considered by the Governance & Audit Committee and approved by Cabinet, together with the updated Anti Fraud, Bribery and Corruption Policy, Anti Money Laundering Policy and an Anti Tax Evasion policy along with an Enforcement Policy in 2023. The Speak Out hub was also launched in 2023 which enables staff to confidentially and easily report any concerns which are initially reviewed by the Corporate Fraud Officer. The Whistleblowing Policy is reviewed annually and reported to the Governance and Audit Committee. The Corporate Fraud Officer also undertakes fraud awareness training across the Council which includes raising awareness of the policies in place. A fraud

Audit enquiries to those charges with governance and management.

Enquiries of management – in relation to fraud

Question	2024-25 Response
	awareness training package is now available for all staff via the intranet; this was launched in April 2025
4. What classes of transactions, account balances and disclosures have you identified as most at risk of fraud?	Matches from the 2024 NFI exercise are currently being reviewed; nothing material identified. We are in the process of updating our Fraud Risk Assessment which will be taken into account for our 2025/26 planning process.
5. Are you aware of any whistleblowing or complaints by potential whistle blowers? If so, what has been the audited body's response?	Each allegation is recorded and investigated where appropriate. If it is found that there is a case to answer a fact-finding report is presented to a Chief Officer for further action under the various Council policies. The Governance and Audit Committee receive an annual Fraud Report which incorporates issues identified through the Council's Whistleblowing Policy-. The Governance and Audit Committee also receives an annual Corporate Complaints Report. Nothing material identified.
6. What is management's communication, if any, to those charged with governance	Any concerns regarding internal controls, fraud or misappropriation are reflected in Audit recommendations and the level of assurance given at the

Audit enquiries to those charges with governance and management.

Enquiries of management – in relation to fraud

Question	2024-25 Response
regarding their processes for identifying and responding to risks of fraud?	end of the audit. Progress reports are taken to the Council's Governance and Audit Committee highlighting where there is Limited Assurance and identifies if this impacts on the overall system of internal control. An Annual Corporate Fraud report is presented to the Governance and Audit Committee to inform on progress made against the Counter Fraud Strategy and the number and nature of investigations carried out. Governance and Audit Committee also receive reports in relation to the number of complaints received and any whistleblowing incidents reported.
7. What is management's communication, if any, to employees regarding their views on business practices and ethical behaviour?	Principles of good governance and ethical behaviour are embedded in key policy documents including Codes of Conduct for Members and Employees. The Regional Internal Audit Service has a Code of Ethics which all auditors have to sign to state that they have read, understood and will abide by the Code. Internal Audit and the Corporate Fraud Officer have developed a fraud awareness training session which is being rolled out to key functions within

Audit enquiries to those charges with governance and management.

Enquiries of management – in relation to fraud

Question	2024-25 Response
	service areas. This will become part of the corporate i-dev suite of training packages by the end of 2024/25. The Council's Governance Arrangements are also included within the annual internal audit plan. The Monitoring Officer ensures that each Councillor and Co-opted Member (with voting rights) receive training regarding ethics and standards and this is embedded as business as usual.
8. For service organisations, have you reported any fraud to the user entity?	An Annual Corporate Fraud report is presented to the Governance and Audit Committee.

Audit enquiries to those charges with governance and management.

Enquiries of those charged with governance – in relation to fraud

Question	2024-25 Response
1. Do you have any knowledge of actual, suspected or alleged fraud affecting the audited body?	All allegations are taken seriously and investigated. Whilst issues are reported, they will be deemed significant where they can be substantiated and reflected in the Council's Annual Governance Statement if appropriate. Nothing material.
2. What is your assessment of the risk of fraud within the audited body, including those risks that are specific to the audited body's business sector?	Nothing material.
3. How do you exercise oversight of: - management's processes for identifying and responding to the risk of fraud in the audited body, and - the controls that management has established to mitigate these risks?	This is reflected in the Governance and Audit Committee's Terms of Reference and the reports as set out in the Forward Work Programme for the Committee.

Audit enquiries to those charged with governance and management.

Appendix 2

Matters in relation to laws and regulations

International Standard for Auditing (UK and Ireland) 250 covers auditors' responsibilities to consider the impact of laws and regulations in an audit of financial statements.

Management, with the oversight of those charged with governance, is responsible for ensuring that the operations of the Council are conducted in accordance with laws and regulations, including compliance with those that determine the reported amounts and disclosures in the financial statements.

As external auditors, we are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error, taking into account the appropriate legal and regulatory framework. The ISA distinguishes two different categories of laws and regulations:

- laws and regulations that have a direct effect on determining material amounts and disclosures in the financial statements;
- other laws and regulations where compliance may be fundamental to the continuance of operations, or to avoid material penalties.

What are we required to do?

As part of our risk assessment procedures we are required to make enquiries of management and those charged with governance as to whether the Council is in compliance with relevant laws and regulations. Where we become aware of information of non-compliance or suspected non-compliance we need to gain an understanding of the non-compliance and the possible effect on the financial statements.

Audit enquiries to those charges with governance and management.

Enquiries of management – in relation to laws and regulations

Question	2024-25 Response
1. Is the audited body in compliance with relevant laws and regulations? How have you gained assurance that all relevant laws and regulations have been complied with? Are there any policies or procedures in place?	Through the work of the Internal Audit Shared Services, Legal Services and oversight by the Monitoring Officer/Head of Legal and Democratic Services.
2. Have there been any instances of non-compliance or suspected non-compliance with relevant laws and regulations in the financial year, or earlier with an ongoing impact on this year's audited financial statements?	We can confirm that, to the best of our knowledge and based on the information available to us at this time there have been no instances of non-compliance or suspected non-compliance with laws and regulations during the reporting period, or in prior years, that have had, or are expected to have, a material impact on the Council's audited financial statements for the year ended <u>2024/25</u> .
3. Are there any potential litigations or claims that would affect the financial statements?	There are no legal claims which would affect the Council's financial statements save for those in respect of which provision has been made in the audited accounts.
4. Have there been any reports from other regulatory bodies, such as HM Revenues	No – not to our knowledge.

Audit enquiries to those charges with governance and management.

Enquiries of management – in relation to laws and regulations

Question	2024-25 Response
and Customs which indicate non-compliance?	
5. Are you aware of any non-compliance with laws and regulations within service organisations since 1 April of the financial year?	No – not to our knowledge

Audit enquiries to those charges with governance and management.

Enquiries of those charged with governance – in relation to laws and regulations

Question	2024-25 Response
1. Are you aware of any non-compliance with laws and regulations that may be expected to have a fundamental effect on the operations of the entity?	No, not to our knowledge.
2. How does the Council, in its role as those charged with governance, obtain assurance that all relevant laws and regulations have been complied with?	Through the Internal Audit Shared Service. Also, through the application of Council policies, such as the Contract and Financial Procedure Rules.

Audit enquiries to those charges with governance and management.

Appendix 3

Matters in relation to related parties

International Standard for Auditing (UK) 550 covers auditors' responsibilities relating to related party relationships and transactions.

The nature of related party relationships and transactions may, in some circumstances, give rise to higher risks of material misstatement of the financial statements than transactions with unrelated parties.

Because related parties are not independent of each other, many financial reporting frameworks establish specific accounting and disclosure requirements for related party relationships, transactions and balances to enable users of the financial statements to understand their nature and actual or potential effects on the financial statements. An understanding of the entity's related party relationships and transactions is relevant to the auditor's evaluation of whether one or more fraud risk factors are present as required by ISA (UK and Ireland) 240, because fraud may be more easily committed through related parties.

What are we required to do?

As part of our risk assessment procedures, we are required to perform audit procedures to identify, assess and respond to the risks of material misstatement arising from the entity's failure to appropriately account for or disclose related party relationships, transactions or balances in accordance with the requirements of the framework.

Audit enquiries to those charged with governance and management.

Enquiries of management – in relation to related parties

Question	2024-25 Response
1. Have there been any changes to related parties from the prior year? If so, what is the identity of the related parties and the nature of those relationships? Confirm these have been disclosed to the auditor.	No changes from the prior year, no new joint committees or arrangements in place over the past twelve months.
2. What transactions have been entered into with related parties during the period? What is the purpose of these transactions? Confirm these have been disclosed to the auditor.	There are transactions with statutory partners which have been disclosed as part of the related parties submissions of which Audit Wales are aware.
3. What controls are in place to identify, account for and disclose related party transactions and relationships?	Regular discussion with Accountants, finance and democratic services staff to identify related parties and put together the required disclosures. Further work to identify any related parties for close family relationships was carried out.
4. What controls are in place to authorise and approve significant transactions and arrangements: • with related parties, and	Officers and members are required to declare any transactions in line with the Council's Code of Conduct.

Audit enquiries to those charges with governance and management.

Enquiries of management – in relation to related parties

Question	2024-25 Response
• outside the normal course of business?	There is also a manual end of year process that reviews transactions against any organisation that has been declared. For 2023/24 the new end of year process with members of the Senior Leadership Team declaring transactions on a non exceptions basis has continued and is now embedded practice.

Enquiries of those charged with governance – in relation to related parties

Question	2024-25 Response
1. How does the full Council, in its role as those charged with governance, exercise oversight of management's processes to identify, authorise, approve, account for and disclose related party transactions and relationships?	Related party disclosures are reviewed by Governance and Audit Committee as part of the review of the statement of accounts.

Audit enquiries to those charges with governance and management.

Audit enquiries to those charges with governance and management.

Appendix 4

General matters

Enquiries of management – general matters	
Question	2024-25 Response
1. Are there any matters and events which have occurred during the year which could influence our audit approach or the entity's financial statements?	No, not to our knowledge.
2. Provide details of any professional advisors (e.g. solicitors, consultants etc.) consulted in the year and the issue consulted on.	During the year, the only professional advisers (e.g. solicitors) consulted were external legal firms instructed to advise on individual legal matters (e.g. planning, employment, contractual disputes, procurement challenges) on a case-by-case basis. These engagements were for operational purposes and do not relate to matters of governance, financial reporting, or management that would have a material impact on the financial statements. No professional advisers were engaged during the year to advise on general matters of corporate governance, financial reporting, or internal controls.

Audit enquiries to those charges with governance and management.

Enquiries of those charged with governance – general matters

Question	2024-25 Response
1. Are you aware of any actual, suspected or alleged irregularity affecting the entity?	No, not to our knowledge.
2. Are those charged with governance aware of any significant communications with regulators?	No, not to our knowledge.

Audit enquiries to those charges with governance and management.

Appendix 5

Matters in relation to financial reporting

Enquiries of management – in relation to financial reporting

Question	2024-25 Response
1. Have you considered the appropriateness of the accounting policies adopted by the organisation? Have there been any events or transactions that may cause you to change or adopt new accounting policies?	The Accounting Policies have been subject to annual review and updated for IFRS16.
2. Are you aware of significant transactions that are outside the normal trading activities of the business?	No, not to our knowledge.
3. Are you aware of any transactions, events or changes in circumstances that would cause major impairments of non-current assets?	No, not to our knowledge.
4. Are you aware of any new transactions, events or conditions (or changes in these) that may give rise to recognition or	No, not to our knowledge.

Audit enquiries to those charges with governance and management.

Enquiries of management – in relation to financial reporting

Question	2024-25 Response
disclosure of significant accounting estimates that require significant judgement?	
5. Do you have knowledge of events or conditions beyond the period of the going concern assessment that may cast significant doubt on the entity's ability to continue as a going concern?	No, not to our knowledge.
6. Are there any issues around the use of service organisations or common functions, including uncorrected misstatements from service organisations?	No, not to our knowledge.
7. Are you aware of any guarantee contracts?	No, not to our knowledge.
8. Are you aware of the existence of loss contingencies and/or un-asserted claims that may affect the financial statements?	No, not to our knowledge.

Audit enquiries to those charges with governance and management.

Appendix 6

Matters in relation to IT systems

Enquiries of management – in relation to IT systems	
Question	2024-25 Response
Have there been any changes to significant IT systems or applications in the period?	No, not for 2024/25, a new accounts receivable, Oracle Fusion AR has been brought into operation from the start of 2025/26 replacing the Sundry Debtors module in Academy.

Audit enquiries to those charges with governance and management.