

## **SHARED REGULATORY SERVICES JOINT COMMITTEE**

Minutes of a Remote Meeting held on 26<sup>th</sup> March, 2025.

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

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

Representing Bridgend County Borough Council – Councillor H. Williams.

Representing Cardiff City and County Council – Councillors N. Mackie (Chair) and M. Michael.

Representing the Vale of Glamorgan Council – Councillors P. Drake and R. Sivagnanam (Vice-Chair).

(a) Announcement –

Prior to the commencement of the business of the Committee, the Democratic and Scrutiny Services Officer read the following statement: “May I remind everyone present that the meeting will be recorded via the internet and this recording archived for future viewing”.

(b) Apology for Absence –

This was received from Councillor M. Lewis (Bridgend County Borough Council).

(c) Minutes –

RESOLVED – T H A T the minutes of the Extraordinary meeting held on 19<sup>th</sup> February, 2025 be approved as a correct record,

(d) Declarations of Interest –

No declarations of interest were received.

(e) Shared Regulatory Services Overview and Update Report (DEH) –

The report apprised the Joint Committee of the work of the service and progress toward completing the actions contained in the Shared Regulatory Services (SRS) Business Plans. The report was presented to the Committee by the Head of Shared Regulatory Services, in conjunction with her colleagues, namely the three Operational Managers for the Shared Regulatory Service, and the Operational Manager – Accountancy. They covered several key areas, achievements and challenges for SRS, including the following:

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- Human Resources matters / sickness absence figures;
- The budgetary position / financial monitoring;
- Performance monitoring;
- The work, etc. of the Licensing and Pollution teams;
- The Food Standards Agency (FSA) Audit;
- Health and Safety Management in independent warehouses;
- The implementation of new special procedures in Wales, concerning acupuncture, body piercing, electrolysis and tattooing;
- Ensuring that Bridgend, Cardiff, and the Vale of Glamorgan Councils met their statutory duties on monitoring and to maintain / improve air quality;
- The latest position with the Building Safety (Wales) Bill and the current work being undertaken by SRS in this sector;
- Trading Standards impacts and outcomes, including the recent all Wales stand-alone Impacts and Outcomes report, which had been released, detailing the work of local authorities in Wales during the 2023-24 financial year and outlining their successes;
- Details of enforcement activity and recent cases investigated by the SRS that had resulted in prosecution.

Overall, in light of SRS reaching its 10th anniversary of its launch in May 2025, the Head of Shared Regulatory Services felt that it continued to meet its rationale for being in place, the needs of the partner Authorities, and the aims it was founded to achieve, despite the challenges it faced.

During the course of the presentation of the report, the following comments and queries were raised.

The Chair asked how officers and senior management in SRS felt the FSA Audit had gone. It was explained that, from a food hygiene perspective, the Operational Manager was confident that the work that had been undertaken and the focus of SRS in this area would be reflected in the subsequent report (such as utilising some contractor resources in order to address the shortfalls in this area following the Pandemic, etc.). In terms of food standards there was still work to be done and this would be reflected also. Over the coming years the SRS would be putting in further effort into the food standards service area and bringing that up to the same level as food hygiene. This was despite the relevant SRS teams facing significant challenges in this area due to the pressure on resources and the scale of undertaking this work throughout the SRS region, where there was approximately 6,500 food business located.

The Vice-Chair added that she was aware that the Audit Team had raised some questions, etc., quite late into the process around the FSA review, and so the efforts of SRS staff to address these and other matters was known and appreciated. She was also looking forward to the subsequent FSA report and was confident that this would reflect the hard work and efforts of the SRS staff involved, despite the challenges in terms of resources and the area covered.

The Chair also stated that it was good to see the work SRS was undertaking with regard to surveying and investigating independent storage and distribution

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warehouses with a single premises in the SRS region, and the subsequent identification of issues to be addressed.

There being no further comments or questions, and after considering the report, the Joint Committee subsequently

RESOLVED – T H A T the contents of the Shared Regulatory Services (SRS) Overview and Update Report be agreed and noted.

Reason for decision

Having regard to the contents of the report, discussions at the meeting and following the report's consideration by the Joint Committee of the work of the service and the progress toward completing the actions contained in the SRS Business Plans.

(f) Amendment to Shared Regulatory Services Fees and Charges 2025-26 (DEH) –

The report, presented by the Head of Shared Regulatory Services, was intended to advise Members of the Joint Committee of an error in the schedule of SRS 2025-26 fees and charges presented at the 18<sup>th</sup> December Joint Committee meeting.

It had since become apparent that there was an administrative error in the calculation of some of the fees (on page 8 of the schedule) which had now been amended, and re-approval for this corrected schedule was now sought from the Joint Committee.

The Joint Committee, after considering the report, subsequently

RESOLVED – T H A T the amended schedule of Shared Regulatory Services fees and charges for 2025-26, as set out in Part One to the Annex of the report, be agreed.

Reason for decision

In order that the amended schedule of Shared Regulatory Services fees and charges for 2025-26, with the administrative error on page 8 of the schedule now corrected therein, be approved so that the correct fees could be charged from 1<sup>st</sup> April, 2025.

(g) Matter Which the Chair had Decided was Urgent –

RESOLVED – T H A T the following matter which the Chair had decided was urgent for the reason given beneath the minute heading be considered.

(h) Audit of the 2023/24 Shared Regulatory Services Financial Statements (DEH) – (Matter which the Chair had decided was urgent by reason of the need to enable the 2023/24 Audit to be closed prior to the publication of the 2024/25 draft accounts)

The report was presented to the Joint Committee by the Operational Manager – Accountancy, in conjunction with the Audit Manager, Audit Wales. The purpose of the report was to present to the Committee the findings of the Auditor General for Wales following the audit of Shared Regulatory Services Financial Statements for 2023/24 and incorporating all agreed amendments, for their consideration and approval, and to be then signed by the Auditor General for Wales.

The audit of the 2023/24 Statement of Accounts was in the final stages of completion, hence the need, as part of the recommendations to the report, for the Committee to endorse that authority be granted to the Head of Finance, Vale of Glamorgan Council, in consultation with the Chair of the Committee, to approve the final amendments to the accounts.

The key points of the report and related matters were outlined to the Committee, which included:

- Overall, Audit Wales intended to provide an unqualified opinion on the accounts, which was a 'clean' opinion and therefore a good outcome for the Joint Committee.
- There were no misstatements that remain uncorrected. This meant that all the issues identified were resolved and corrected by the Council. Any changes were summarised in the report / appendices.
- Some of the Cardiff and Vale Pension Fund figures provided within the accounts were found to be incorrect. SRS was an admitted body to the fund, and the related figures provided to the actuaries had been found to be incorrect. However, Audit Wales was satisfied that this did not amount to a material error and had therefore taken a pragmatic approach, in conjunction with the Council's Finance team, to report this matter rather than ask for the Joint Committee to incur additional costs obtaining revised pension fund figures from the actuaries. This would subsequently be addressed as part of next year's figures.
- The challenges and delays around completing the Audit were highlighted. This had meant that the audit process had taken longer than anticipated. This was being reported with the hope that the process could be put back on track going forward, with both Audit Wales and Welsh Local Authorities having been impacted by the Pandemic which had disrupted the usual Audit cycles for these. Audit Wales would be working and engaging with the Vale of Glamorgan Council and other Authorities in order to achieve this and to ensure a faster and smoother audit process. The other aspect of this which could be an issue was that the audit was protracted and therefore the total cost of the audit was higher than estimated in the bill in the Audit Plan. The total consideration of this had not yet been quantified or considered by the Audit Director but it was still important to raise the potential at this stage that there might be an additional audit invoice.

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- Another recommendation raised was around related party transaction disclosures. To ensure the note was as accurate as it could be and that robust procedures existed to support that process and a robust audit trail existed to support the disclosure note, the recommendation had been agreed with the SRS and Vale of Glamorgan Council Finance management. This would be followed up by Audit Wales again as part of next year's audit to ensure that it had been implemented as agreed and expected. The various appendices / supporting documents were outlined to the Committee, with an explanation for each.

The Operational Manager – Accountancy wanted to add that, firstly, regarding the delays encountered by the auditors, this was a regrettable situation, which was to be addressed. The Finance team had experienced various challenges, such as a new general ledger that was being implemented and the accounts needing to be closed via this new system, as well as resourcing / resilience issues. Going forward, the team were in a better position to go forward with the 2024/25 accounts (including strong working papers and a good understanding within the team). The Operational Manager – Accountancy would be liaising with Audit Wales about the timing of this future audit (Audit Wales were keen to see the closure of accounts and the audit as one project) and was keen to get this progressed from July. As part of this, there would be a greater focus on resilience and additional accountancy support. Regarding the recommendation for related party transaction disclosures, this had been recommended previously by Audit Wales, but due to various resourcing and other challenges faced by the Finance team it had not been achieved. However, this had subsequently been addressed following discussions with senior management and was included in the party declarations relating to the 2024/25 accounts and updated for the 2023/24 iteration as well. The required top up information for this area for 2024/25 would be shared with the Committee shortly for their completion.

The Vice-Chair asked about the background of the misstatements referred to in the report and at the meeting. It was explained that some of these were adjustments purely around having the correct working papers; others were concerning judgments around the timing of grant income which could impact the usable reserves balance. This related to a late grant award for 2022/23 which had to be accounted for in the 2023/24 accounts. Due to this, and as part of the amendment to the accounts and adjustment to the reserves, it was proposed that the amount concerned should be ring fenced within the SRS's usable reserves because that grant was given to the SRS for a specific purpose.

The Joint Committee, after considering the report, subsequently

RESOLVED –

- (1) T H A T the Shared Regulatory Services 2023/24 Statement of Accounts be approved, signed and dated by the Chair of the Committee.
- (2) T H A T, as the amended Statement of Accounts were subject to final checks by Audit Wales, delegated authority be granted to the Head of Finance, Vale of

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Glamorgan Council, in consultation with the Chair of the Committee, to approve final amendments to the accounts.

(3) T H A T the Letter of Representation to Wales Audit for 2023/24 be noted, agreed, signed and dated by the Chair of the Committee.

(4) T H A T the report of the Appointed Auditor on the audit of Shared Regulatory Service for 2023/24 be noted.

(5) T H A T the response to the Audit Wales Audit Enquiries at Appendix C to the report be approved.

(6) T H A T the Shared Regulatory Services Annual Governance Statement 2023/24 be approved, signed and dated by the Chair of the Committee, the Chair of the Shared Regulatory Services Management Board and the Head of Shared Regulatory Services.

#### Reasons for decisions

(1) In order that the Statement of Accounts be approved prior to the deadline.

(2) To enable the Amended Statement of Accounts to be approved following review by Audit Wales.

(3) In order that the signed Letter of Representation be returned to Audit Wales.

(4) To ensure that the Members were aware of the results of the audit of the 2023/24 Financial Statements of Shared Regulatory Service.

(5) This was in response to Audit Wales having written to both officers and those charged with governance with a set of queries to provide assurance on fraud, legal and related parties.

(6) To enable the 2023/24 accounts to be finalised.