Cyd-bwyllgor Corfforedig De-Ddwyrain Cymru | South East Wales Corporate Joint Committee

Report for:	ACTION
Contains Confidential or Exempt Information	NO

For Consideration By	South East Wales Corporate Joint Committee
Report Title	Annual Letter to CJC of the Work of the Governance & Audit Sub-Committee
Report of	Strategic Director of Legal & Governance
Contact Details	Jill.Byron@cardiffcapitalregion.gov.uk
Date to be Considered	8 June 2026
Implementation Date	Immediate
Affected Council Areas	All
Keywords / Index	Governance and Audit

1. Recommendations

1.1 The Corporate Joint Committee is asked to:

(1) Consider the draft letter from the Chair of the Governance & Audit Sub-Committee to the Corporate Joint Committee attached at **Appendix 1**.

2. Report Summary

2.1 This report presents a letter from the Chair of this Sub-Committee to the CJC setting out a summary of the notable findings and activities of the Sub-Committee during the 2025-26 municipal year.

2.2 The letter was written by the Chair and considered by the Governance and Audit Sub-Committee at their meeting on 20 May 2026.

3. Reasons for Report

3.1 Members of the Corporate Joint Committee are asked to consider and note the draft letter and respond if appropriate.

4. **Comments of the Director of Resources and Section 151 Officer**

4.1 There are no direct financial implications associated with this report.

5. **Comments of the Director of Legal & Governance and Monitoring Officer**

5.1 There are no direct legal implications associated with this report.

Appendices

Appendix 1: Chair of Governance & Audit Sub-Committee Annual Letter to the CJC

Report Author: Cliona May, Democratic Services Manager
Date of Meeting: 8 June 2026

May 2026

Annual Letter to the CJC of the Work of the Governance and Audit Sub-Committee

Dear Members,

As Chair of the Governance and Audit Sub-Committee, I am writing to provide you with a summary of the work of the Sub-Committee in the municipal year 2025-26.

At the first meeting of the year, I was elected as the Chair and Andrew Blackmore was elected as the Deputy Chair. Together we have met with officers to shape the agendas, advise on draft reports and to monitor the Action Log and Work Programme for the Sub-Committee. Also, in my capacity as Chair, I attend the Investment Board and the Corporate Joint Committee as an observer. This has allowed me to gain a broader understanding of the full governance structure within CCR and organisational priorities, which gives comforting levels of assurance.

The membership of our Sub-Committee, both in terms of the councillors and the lay members, has considerable experience of audit, governance and risk committees in local authorities. Many of our Members, also have a career background in these areas. This external view and experience is a valuable resource that we are encouraging officers to utilise whenever possible.

We are grateful to officers for working with us to help us understand organisational assumptions which in turn enables us to review and scrutinise the CJC's financial affairs.

During the course of our five meetings, including one Extraordinary Meeting, held throughout the year, we have worked with officers to improve the information that is available to us in fulfilling our functions. We have focused on reviewing and scrutinising the CJC's financial affairs to provide an independent focus on the audit, assurance, performance and reporting arrangements that underpin good governance and financial standards.

In addition to these meetings, we have had one additional Briefing as a Sub-Committee, and one joint Briefing with the Joint Overview and Scrutiny Committee. I have also attended a joint meeting between the Chairs and Deputy Chairs of the Governance and Audit Sub-Committee and the Joint Overview and Scrutiny Committee to discuss joint working opportunities and to establish the role, remit and responsibilities of both Committees. This joint working has been valuable to the Members of the Governance and Audit Sub-Committee, particularly in regards to the Independent Review and we will continue to work closely with this Committee and other Sub-Committees in Cardiff Capital Region as appropriate.

In accordance with good governance practice, the Governance and Audit Sub-Committee approved a Work Programme for the full municipal year, which sat alongside the Actions Log. These documents were monitored at each meeting and periodically throughout the year. We have requested further reports to be included within our Work Programme, such as an independent annual report on the operation of the Anti-Money Laundering Policy and additional, more focused, reports on the Risk Register.

A few matters have arisen during the year which it is important to raise:

Risk Management

The Governance and Sub Committee has overseen the organisation's risk management arrangements over the past year and in particular would note the following areas where oversight will continue:

- **Resourcing**: As set out in the risk register, the organisation faces challenges in terms of its resources and resourcing. The absence of recurring core funding over the medium to long term is worthy of particular consideration and the case for extra funding to manage CCR as a Public body needs to be won. As set out in the risk register, this is a risk that requires further mitigation.
- **Staffing**: there has been a high level of vacancies across the organisation in the last year, and the senior team have been stretched as a result. This is identified on the CJC risk register and mitigations have been put in place. It is important that these mitigations are implemented.
- The Governance and Audit Committee were unable to scrutinize the CJC Treasury Management Strategy prior to it being approved by the CJC at its meeting on 27 March 2026. We would value the opportunity to do this, including whether the balance of risk and reward is appropriate, and therefore are pleased that the planned committee timetable for 2026/27 will enable this next time.
- **Aberthaw:** The Governance and Audit Sub Committee has received assurances regarding the steps taken in response to the Aberthaw procurement matter and has received the Summary Report. Questions have been raised regarding the level of transparency on this matter – with some members wishing to see the full report. That said the Committee has been advised that the full Report is subject to legal privilege which belongs to Cardiff Council and that publication could prejudice the potential claims referenced in the Action Plan. The Committee as a result needs to consider whether they are best placed to provide oversight and scrutiny of the Action Plan that has been put in place in this regard. A way forward on this matter has been discussed. We will keep the Chair of the CJC informed.
- **Governance:** The CJC has 5 Sub-Committees (three of which meet on a regular basis) and four advisory Boards. As set out in the risk register, it remains important that governance structures are both sufficient and sustainable and that the risk of duplication is mitigated.

Finally, I would like to take this opportunity to thank the Lay Members and the Elected Members of the Governance & Audit Sub-Committee for their hard work and dedication throughout the year. All meetings have been well attended and all Members have been fully engaged and come together from their different backgrounds and perspectives to ensure that the Sub-Committee operated cohesively with constructive questioning and challenge throughout.

We look forward to continuing to advise and support the South East Wales Corporate Joint Committee with good governance practices and financial standards.

Yours Sincerely,
Alan Davies