
GOVERNANCE AND AUDIT COMMITTEE 11/09/25

Attendance: Chair: Carys Edwards
Vice-chair: Rhys Parry

Councillors: Menna Baines, Dafydd Meurig, Elfed Wyn ap Elwyn, Elwyn Jones, Edgar Wyn Owen, Arwyn Herald Roberts, Angela Russell and Ioan Thomas

Lay Members: Eifion Jones, Dewi Lewis, Peter Barnes and Paul Millar-Mills

Officers: Dewi Morgan (Head of Finance Department), Ffion Madog Evans (Assistant Head of Finance - Accounting and Pensions), Delyth Jones-Thomas (Investment Manager), Caren Rees Jones (Group Accountant - Capital and Management), David Lloyd Williams (Group Accountant), Dewi Wyn Jones (Council Business Support Service Manager) and Lowri Haf Evans (Democracy Services Officer)

Others invited: Cllr Huw Wyn Jones (Cabinet Member for Finance).

Item 10: Carwyn Rees, Lora Gwawr and Sioned Owen (Audit Wales)

Item 11: Ian Jones (Head of Corporate Services Department) Catrin Love (Assistant Head – Corporate Services) and Mari Powell (Support Services Manager)

Item 12: Iwan Evans (Head of Legal Services)

1. APOLOGIES

Apologies were received from Councillors Huw Rowlands, Meryl Roberts and Richard Glyn Roberts.

Following the death of Cllr Rob Triggs, the Chair took the opportunity to express her condolences to his family. It was noted that Rob was a current member of the Governance and Audit Committee, and his contribution to the Committee and Council had been invaluable.

The Chair also took the opportunity to express her condolences to the family of the late Sharon Warnes (former Committee Member and former Council Officer) who was a friend, a respectful and conscientious person – her background in Local Authority work was invaluable; she would be greatly missed.

Condolences were expressed to Cllr Angela Russell and her family following the recent loss of her husband and she was welcomed back to the Committee.

It was reported, that following an interview process and the Full Council's approval on 3 July 2025, three new Lay Members were welcomed to the Committee - Mr Dewi Lewis, Dr Peter Barnes and Mr Paul Millar-Mills.

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. MINUTES

The Chair accepted the minutes of the previous meetings of this committee held on 22 May 2025 as a true record.

5. IMPLEMENTING THE DECISIONS OF THE COMMITTEE

Submitted - a report outlining how the Council's departments had responded to the decisions of the Governance and Audit Committee so that Members could be assured that their decisions were being addressed. It was noted that the report gave Members an opportunity to consider the decision made with the intention of removing the item / decision when the action had been completed.

The members thanked the officer for the report

RESOLVED

To accept the contents of the report.

6. GWYNEDD COUNCIL'S ANNUAL GOVERNANCE STATEMENT FOR 2024/25

The Statement was presented by the Head of Finance Department. He explained that the Statement, although not part of the accounts, was a statutory document which needed to be published with the accounts. In accordance with the Accounts and Audit (Wales) Regulations and the CIPFA Code of Practice, all Local Authorities were required ensure that a statement of internal management was in place and that the management system was reviewed at least once a year. It was reported that the Chief Executive and the Council Leader were required to sign the statement, although the Audit and Governance Committee's approval was needed.

Some background was given to the statement which was based on the CIPFA / SOLACE Framework published in 2016 and identified 7 core principles for good governance which were then further broken down into sub-principles. It was highlighted that the Governance Arrangement Assessment Group, led by the Chief Executive, had considered these principles and sub-principles and had created a Governance Risk Register, which was part of the Council's Corporate Risk Register. Risks had been identified in 24 different areas of governance, identifying the controls that the Council had in place to mitigate these risks.

It was reported that there were four types of risks and that each risk had departmental ownership; the Group had concluded that there were 0 areas of very high risks, 6 high risk areas, 9 areas of medium risk and 9 low risk areas. It was accepted that although there were 6 high risk areas, the Group was aware of the work that needed to be done to reduce these risks.

In terms of adjustments, it was expressed that Finance's current risk score had been reduced from 20 to 15. It was reiterated that an update on previous years' actions would be reported in Cyngor Gwynedd's Annual Performance Report and Self-Assessment 2024/25 at the October 2025 meeting.

Members expressed their thanks for the report.

Observations by Members and responses from Officers:

In response to a question about the lack of detail of the risks, it was noted that a more detailed expenditure report would be submitted to the Committee in October, and that this was an attempt to summarise issues to comply with the requirements of the Accounts and Audit Regulations for Wales.

In response to an observation about the low number of staff (Staff Voice Survey) and residents (the National Resident Survey) who had responded to these two surveys and what was being done to encourage more responses in the future, it was noted that although the number of responses to the National Resident Survey appeared to be very low, it compared well with the number of responses in the past. It was reiterated that, with the Survey also being a national one, responses could be compared by Local Authority, and of the nine Local Authorities that took part in the survey (the first of its kind in Wales), during 2024/25, Gwynedd's rate was among the highest. However, it was accepted that there was room for improvement and that work had been done to include new steps in the engagement process to encourage more responses. One example of improvement was asking for context or narrative in response rather than ticking off very good, good or bad. It was also noted that the results of the National Resident Survey had set a baseline and therefore progress on future improvements could be measured.

With reference to the term 'culture', it was noted that a better interpretation of the word was needed as it had a wide range of possible considerations. It was noted that in this context the focus was on the culture of Ffordd Gwynedd and the role of the Committee was to consider assurance that the information they received about the working culture was embedded in the Council's way of working.

In response to a comment that Finance's current risk score had been reduced from 20 to 15 and that this was premature as no evidence had been submitted that the overspend had ceased, the Head of Finance Department, in his role as Section 151 Officer, stated that a score of 15 was a fair risk score. He agreed that raising the score to 20 during 2024/25 may have been an overly hasty response and that a score of 20 meant the introduction of a final Section 114 warning that the budget would not be sufficient to sustain services. He expressed that Cyngor Gwynedd was not in this position and with an ongoing review of the situation, he was confident in the reduction of the rating. In terms of overspending, Members were reminded that the Committee received reports twice a year on departmental expenditure following service reviews.

In response to a supplementary question regarding the submission of a Medium Term Financial Plan, it was noted that the plan would be submitted to the meeting held in October 2025.

Highlighting the fact that this was a Self-assessment and if there was a tendency not to be too hard on personal performance, it was asked how it could be assured that the situation was a realistic one. In response, it was noted that it was the Committee's role to challenge the self-assessment and that there was no benefit to the Council in under-rating risk. It was suggested that headlines could

be shared and more detailed information on the risks presented over the year so that Members had a better understanding of the areas.

The success of the Apprenticeship Scheme was praised.

Referring to the internal review to improve Council Tax collection arrangements, and the intention to report to the Committee in November, a request was made to highlight information about the housing premium in that report.

In response to an observation that there was a need to consider the risk of costs from potential Article 4 claims, it was noted that this would be addressed in the statement of accounts (note 39 - contingent liabilities). It was reiterated that if the risk was greater than 50% then money would be set aside to meet the costs.

In the context of Information Management (risk score of 12 due to 'failure to meet statutory requirements in dealing with information and data'), it was noted that 'statutory' requirements included two elements to the work and that while the Council complied with the requirements of the Data Requirements Act, the Council had room for improvement in making the best use of data/information to improve services.

In terms of the Health, Safety and Wellbeing Management System and the system being ineffective (risk score 15), it was noted that this was a reference to a procedural system and not a technical system and that the score was based on the probability that something may go wrong.

RESOLVED:

- **To accept the (draft) Annual Governance Statement**
- **To accept the (draft) Annual Governance Statement Action Plan.**
- **To approve the Statement and recommend that the Council Leader and Chief Executive sign it.**

Note:

- Amend the current Finance risk score from 20 to 15 in the Welsh version of the report, point 4.2
- The context of the 'culture' risk refers to the fundamental principles of Ffordd Gwynedd
- Request for further information to ensure that arrangements are in place to improve services
- Request for the Council Tax Collection Rates report to highlight the housing premium

7. STATEMENT OF ACCOUNTS 2024/25 (SUBJECT TO AUDIT)

The Assistant Head of Finance Department - Accountancy and Pensions explained that the accounts had been completed and released for audit by Audit Wales, the Council's external auditors, since mid-June. It was noted that there was a further extension this year in the statutory timetable for the audit of the accounts, with a view to completing the audit and approving the accounts at the committee meeting held on 13 November 2025.

The content of the report was reported upon explaining that six sets of accounts for 2023/24 were being completed:

1. Cyngor Gwynedd
2. Gwynedd Pension Fund
3. GwE (substantially sized joint committee and therefore Full Statements had been prepared)
4. North Wales Ambition Board (substantially-sized joint committee and therefore Full Statements had been prepared)
5. Gwynedd Harbours and
6. North Wales Corporate Joint Committee

Members were reminded that the end of year financial position for 2024/25 had been submitted to the Committee on 21 May in the form of a simple outturn report, but that the Statement of Accounts, which was for external and governance purposes, had to be completed in the CIPFA standard format. It now appeared as a lengthy and technically complex document.

Reference was made to the Narrative Report that provided information about the Accounts and the vision and priorities of Gwynedd, the Financial Strategy and the financial performance measures. Members were guided through the report and details were provided on some elements:

- Summary of capital expenditure. Expenditure amounted to £85 million during the year compared to £57 million in the previous year.
- The main financial statements included Income and Expenditure Statement, Balance Sheet, Cash-flow etc.
- Movement in Reserves Statement which was an important statement and summarised the Council's financial position. It was highlighted that the Council's general balances were £7.9 million at the end of March 2025, namely the same level as March 2024 and March 2023.
- Reserves highlighted an increase in the £102 million funds at the end of March 2024 to £111 million by the end of March 2024.
- School balances where there was a steady reduction in school balances which had fallen from £12 million at the end of March 2023, to £8.5 million by the end of March 2024 and £8 million by the end of 2025 which highlighted a picture that was nearer to pre-Covid balance levels. It was explained that this was the general picture in Wales as school balances had been high due to a number of grants provided in light of Covid.
- Earmarked Reserves including analysis of the £111 million reserves - capital reserves, the Council Plan/Transformation reserve, supporting the financial strategy reserve and the Council's Tax Premium reserve.
- Reference was made to Note 15 - Property, Plant and Equipment which presented an analysis per category: land and buildings, vehicles, plant and equipment etc. Capital Commitments which included the Abermaw Viaduct Gardens and capital works on Our Lady's School, Bangor and Ysgol Bontnewydd and Tywyn. Also, Development at Coed Mawr Bangor.
- Note 22 Provisions relating to Waste Sites and insurance claims and Note 32 details of Grant Income received (over £207 million in 2024/25 compared to £145 million in 2023/24).
- Note 36 - details of Exit Packages for the last two years.
- Note 43 - details of Joint Operations and Joint Committees of which Gwynedd Council was a part
- Appendix B - Tithe Fund and the FMG Morgan Trust Fund

Thanks were expressed for the report and the Department was commended for completing the accounts neatly and promptly.

During the discussion, the following matters were raised:

In response to a question about the summary of capital expenditure and the fact that Corporate Services expenditure was £0 in 2023/24 but £87,000 in 2024/25, it was noted that this was capital expenditure and not revenue expenditure and that the nature of Corporate Services meant that some years passed without capital expenditure.

In response to an observation that exit packages had increased significantly, it was noted that the numbers were higher in 2024/25 due to reorganisation in some services.

In response to a question about trying to do more with the FMG Morgan Trust Fund, it was noted that the conditions of the fund were very limited – expenditure on a specific field in a particular area. It was agreed that it would be beneficial to share information about the fund by the next meeting.

In response to a question about the collection of taxes and that the impairment allowance for non-collection was £822,000, it was noted that further information would be presented in a report on 'Council Tax Collection Rates' to the Committee's meeting in November.

RESOLVED

To accept and note the Council's Statement of Accounts (subject to audit) for 2024/25.

Note:

Request more information about the FMG Morgan Trust Fund

8. ANNUAL REPORT OF THE GOVERNANCE AND AUDIT COMMITTEE 2024-25

A report was submitted by the Chair of the Committee in response to CIPFA guidance which stated that 'the committee should prepare an annual report which provides assurance to all those responsible for governance that it is delivering its purpose and can demonstrate impact'. The report covered the Committee's work over 2024/25 and highlighted how the Committee had fulfilled its statutory duties and added value to Cynfor Gwynedd governance arrangements.

The members thanked the officer for the report

During the discussion, the following matters were raised:

- It was pleasing to see that the empty Lay Member seats had been filled
- A suggestion of holding a face-to-face meeting in the future that would give the members the opportunity to get to know each other better – perhaps a training day
- A suggestion for lay members to introduce themselves at the next meeting – a brief introduction to their background
- That Members' contribution and attendance were very good
- A suggestion to remove the comments for setting the 2025/26 budget – whilst they did highlight a discussion at a meeting, it was considered that they may create confusion in the context of this report.

RESOLVED

To accept the report and approve the Annual Report

Note: Budget Setting. Remove bullet point 28 prior to the submission of the final report to the Full Council, 2 October 2025

9. TREASURY MANAGEMENT 2024/25

A report was submitted by the Investment Manager on the actual results of the Council's treasury management during 2024/25, against the strategy approved by the Full Council on 7 March 2025. It was reported that it had been a very busy and prosperous year for the Council's treasury management activity as the activity had remained within the constraints originally set. It was confirmed that there had been no defaults by institutions in which the Council had invested money with.

It was reported that £2.5m in interest had been received on investments, which was lower than the £2.7m included in the budget because the Bank of England's rate fell from 5.25% to 4.5% during the year.

On 31 March 2025, the Council was in a very strong position with net investments, which had resulted from a high level of investments and operational capital. This included the funds of the Ambition Board and the Pension Fund. It was reiterated that the lending activity had been very quiet in the year with only loan repayments taking place.

It was reported that, in the context of investment activities, the Council has continued to invest with Banks and Building Societies, Local Authorities, Financial Market Funds, Debt Management Office and Pooled Funds, which was consistent with the type of investments that have been made for a number of years now. It was noted that the pooled funds were mid/long-term investments which brought in a very good income level, and with the Council's funding levels healthy.

In the context of the compliance report and indicators, it was reported that all activities had complied in full with the CIPFA code of practice and the Council's treasury management strategy - this was good news and showed that there was robust management of the funding.

The members thanked the officer for the report

RESOLVED**To accept the report and note the information****10. AUDIT WALES REPORTS - Q1 UPDATE AND STRATEGIC MANAGEMENT OF BALANCES AND RESERVES REPORT**

Carwyn Rees, Lora Gwawr and Sioned Owen from Audit Wales were welcomed to the meeting to present the report

Submitted - a quarterly update (up to 30 June 2025) on the work programme and timetable of Audit Wales. A discussion was held on the financial audit and local performance audit work, highlighting that the Annual Report would be published

in December 2025.

The members thanked the officers for the report.

In response to a question about how Audit Wales prioritised its work, it was noted that they were completing the work for the Auditor General for Wales ensuring that Councils had arrangements in place to deliver services that offered value for money.

REPORT ON STRATEGIC MANAGEMENT OF BALANCES AND RESERVES

Submitted - an audit report and recommendation on how the Council managed reserves focusing on governance arrangements, risk management, financial reporting and how these funds were used strategically and supported long-term stability.

The work had been completed during May and June 2025 detailing year-end figures for 2024/25. The officers were thanked for their support with the audit at a busy time when closing the accounts.

It was concluded that the Council's funds were in a healthy position and there was assurance that arrangements were in place to get the best benefit. Reference was made to the same recommendation made to strengthen the existing arrangements through the adoption of a Reserves Strategy.

In response to the audit, the Head of Finance Department noted that management's response had been completed following discussions internally and with Audit Wales. He agreed with the same recommendation.

The members expressed their thanks for the report. It was noted that the reserves had been a great help over the last few years. It was agreed there was a need to set a direction by adopting a strategy to ensure clarity on the use of reserves.

RESOLVED

- **To accept the Audit Wales Quarter 1 Work Programme**
- **To accept the Audit Wales Report – Strategic Management of Balances and Reserves**

11. ANNUAL COMPLAINTS AND SERVICE IMPROVEMENT REPORT 2024/25

Submitted - a report by the Head of the Corporate Services Department setting out the Ombudsman for Wales' observations on the Council's arrangements and performance in relation to dealing with complaints and service improvements during 2024/25 highlighting successes, challenges and developments. Members were reminded that the Committee had a statutory requirement to ensure that the Council had effective arrangements in place to deal with complaints. It was reiterated that there had been no change in the procedure or the Concerns and Complaints Policy during 2024/2025, and therefore, the content of the Ombudsman's letter was based on the Policy adopted by the Council in 2021.

In addition, it was noted that the report, in response to a request from the Committee, contained more information on the **corporate complaints** procedure which excluded complaints in the area of Care, Education, Employment and

Byw'n lach. It was noted that a new Customer Care scheme had been adopted in early Summer 2025 as part of the Ffordd Gwynedd Plan work following a rigorous consultation process. The training and awareness raising of the new Customer Care Scheme would not only be a way of reminding officers of the complaints procedure across the Council, but would also improve the service for residents and reduce the number of complaints.

It was reported that the aim of the procedure would be to make the submission of a complaint as easy as possible and to ensure a transparent, open and convenient procedure. Step one would be an informal step that would be resolved immediately, and step 2 would be a formal stage where there would be a specific order and time for the response. It was reiterated that receiving complaints was a means of learning lessons with an officer gathering all the information and collaborating with the appropriate services with a view to seeking continuous improvement. A report on the performance of these services would be submitted to Cabinet twice a year.

Members expressed their thanks for the report and the service was commended for their compliance with the requirements of the Act. The situation was considered to be a very satisfactory one.

During the discussion, the following matters were raised:

- Were complaints about social housing part of this process?
- It was important to learn lessons from the complaints procedure
- Complaints led to learning and problem solving
- That the report was a positive one - thanks to the information gathering team
- The information gave the Committee a better understanding of the field

In response to a question about the meaning of 'intervention rate', it was noted that this was a reference to complaints where the Ombudsman had intervened, which involved further investigations.

In response to a question about the Planning field complaints rate (28% which was much higher than the other services) and what lessons were being learned here, it was noted that these were the complaints that had reached the Ombudsman. It was accepted that the planning service was receiving a high number of complaints which may indicate logically that the complainant was not satisfied with the response/decision. In response to a supplementary question about the slowness of the system or lack of resources, it was noted that there was a different range of reasons for these complaints. It was reiterated that the information on specific services would be presented in a report to Cabinet.

In response to an observation that the number of complaints had increased during 2024/25, it was noted that this was common across the Local Authorities with an increase in complaints to the Ombudsman but a decrease in the number of internal complaints.

RESOLVED

To accept the report and note the information

Note: Check whether social housing complaints are part of the complaints process

12. REVIEW OF THE DELEGATION SCHEME

Submitted - a report by the Monitoring Officer highlighting the need to amend the Delegation Scheme due to significant changes in property value and the nature of Cyngor Gwynedd's land negotiations. It was considered that the current provision was also significantly outdated and that this was an opportunity to refine the meaning of some complex aspects of the field.

Attention was drawn to the intention of facilitating the process of acquiring or disposing of lands or buildings and to conditions and restrictions on the exercise of delegated powers.

The members thanked the officer for the report

RESOLVED

To accept the report supporting proposed amendments to the Officers' Scheme of Delegation relating to the acquisition and disposal of land and recommends that the Full Council approve the amendments.

13. THE COMMITTEE'S FORWARD PROGRAMME

Submitted - a forward programme of items for the Committee's meetings until September 2026.

RESOLVED:

To accept the work programme for October 2025 – September 2026

The meeting commenced at 10.00 am and concluded at 12.25 pm

CHAIRMAN