



GOVERNANCE AND AUDIT SUB-COMMITTEE

15 October 2026

TITLE: Annual Governance Statement 2025/26 and Governance Improvement Plan 2026/27

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1. PURPOSE OF THE REPORT

- 1.1. To present the Annual Governance Statement 2025/26, approved by the Corporate Joint Committee on 25 September 2026, for review by the Governance and Audit Sub-Committee and to establish the Sub-Committee's ongoing oversight of the Governance Improvement Plan for 2026/27.

2. DECISION SOUGHT

- 2.1. That the Governance and Audit Sub-Committee note that the Corporate Joint Committee approved the Annual Governance Statement 2025/26 on 25 September 2026.
- 2.2. That the Governance and Audit Sub-Committee agree to oversee delivery of the Governance Improvement Plan during 2026/27
- 2.3. That any material recommendations arising from the Sub-Committee's review be reported to the Corporate Joint Committee as appropriate.

3. REASON FOR THE DECISION

- 3.1. The Governance and Audit Sub-Committee has an assurance role in reviewing and assessing the CJC's risk management, internal control and corporate governance arrangements and in making reports and recommendations on their adequacy and effectiveness.
- 3.2. The draft Annual Governance Statement had been programmed for the Sub-Committee meeting on 15 September 2026. As that meeting did not proceed this rescheduled meeting provides the earliest opportunity for the Sub-Committee to review the approved Statement and take forward its assurance role in relation to the improvement actions.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

- 4.1. Regulation 5 of the Accounts and Audit (Wales) Regulations 2014 (as amended) requires the CJC to maintain a sound system of internal control, review its effectiveness at least annually, consider the findings of that review and approve a statement on internal control. The Annual Governance Statement is the means by which the CJC records that review and its overall governance assurance conclusion.

- 4.2. The Statement has been prepared having regard to the CIPFA/SOLACE Delivering Good Governance in Local Government Framework. The review considered the CJC's wider governance framework, including constitutional and decision-making arrangements, ethical governance, financial management, risk and performance, transparency, organisational capacity and internal and external assurance.
- 4.3. The 2025/26 year was the first full financial year following the transfer of the North Wales Growth Deal responsibilities, together with associated staffing, resources, financial responsibilities and governance arrangements, into the CJC. The annual review therefore considered both compliance with the governance framework and the extent to which the expanded arrangements had been embedded.
- 4.4. The approved Statement concludes that the CJC's governance framework provided a reasonable basis for the lawful, accountable and effective discharge of its functions during 2025/26. It also identifies a number of areas where arrangements require further development, formalisation or embedding. These are captured in the Governance Improvement Plan.
- 4.5. As the Statement has already been approved by the Corporate Joint Committee, the Sub-Committee is not being asked to approve it retrospectively. Its role is to review the conclusions, comment on the improvement actions and provide ongoing assurance over their delivery.

5. GOVERNANCE IMPROVEMENT PLAN 2026/27

- 5.1. The Governance Improvement Plan brings together the principal actions arising from the annual review. The main themes are summarised below; the full actions, ownership and target dates are set out in the approved Statement at Appendix 1.
- 5.2. Corporate risk management - completing and embedding the CJC-wide risk management arrangements and ensuring clear links between corporate, operational, programme and project risk.
- 5.3. Constitution and decision-making - continuing the review of the Constitution, delegations, procedure rules, forward planning and publication arrangements so that they reflect the CJC's current operating model.
- 5.4. Democratic and ethical governance - completing and embedding the scrutiny, Standards and supporting conduct and governance arrangements required for the CJC.
- 5.5. Corporate capacity and accountability - strengthening hosted-service and service-level arrangements, organisational resilience and the corporate view of performance and material exceptions.
- 5.6. Assurance and follow-up - strengthening this Sub-Committee's resilience and maintaining effective tracking of Internal Audit, Audit Wales and Annual Governance Statement actions.
- 5.7. It is proposed that progress is reported through a concise exception-based tracker showing the status of each action, evidence of completion, any slippage and matters requiring escalation. This will allow the Sub-Committee to maintain assurance oversight without duplicating operational management.

6. FINANCIAL IMPLICATIONS

- 6.1. There are no direct financial implications arising from the Sub-Committee's review of the Annual Governance Statement or from the proposed monitoring arrangements. Any resource implications arising from individual improvement actions will be addressed through the relevant budgetary and decision-making processes.

7. LEGAL IMPLICATIONS

- 7.1. The legal requirements relating to the Annual Governance Statement arise principally from Regulation 5 of the Accounts and Audit (Wales) Regulations 2014 (as amended). The Sub-Committee's assurance role is reflected in the CJC's constitutional arrangements and Terms of Reference.
- 7.2. The Corporate Joint Committee approved the Annual Governance Statement on 25 September 2026 following the postponement of the 15 September Sub-Committee meeting for lack of quorum. The present report does not reopen that approval decision; it provides the Sub-Committee with the intended opportunity to review and challenge the Statement and to oversee delivery of the improvement actions.

8. IMPACT ASSESSMENTS

- 8.1. No separate integrated impact assessment is required for this report, which concerns the review and monitoring of an approved governance statement. Any substantive policy or service changes arising from individual improvement actions will be subject to the appropriate assessment through the relevant decision-making process.

APPENDICES:

Appendix 1: Annual Governance Statement 2025/26 (approved by the North Wales Corporate Joint Committee on 25 September 2026)

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer:

"From a legal and governance perspective, the proposed approach is appropriate. The approved Annual Governance Statement is now presented to the Sub-Committee for review and for ongoing assurance oversight of the Governance Improvement Plan. Any material recommendations should be reported to the Corporate Joint Committee as appropriate."

ii. Statutory Finance Officer:

"I am satisfied that the contents of the Annual Governance Statement is a fair reflection of the governance arrangements and relevant activities of the Corporate Joint

Committee in 2025/26, and that the statement meets the requirements of the Accounting and Audit Regulations to prepare a statement of internal control.”