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CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR LLYWODRAETHU AC ARCHWILIO	GOVERNANCE AND AUDIT COMMITTEE
DYDD IAU, 27 MEHEFIN 2024 am 2:00 y. p.	THURSDAY, 27 JUNE 2024 at 2.00 pm
YSTAFELL BWYLLGOR, SWYDDFEYDD Y CYNGOR AC YN RHITHIOL DRWY ZOOM	COMMITTEE ROOM, COUNCIL OFFICES AND VIRTUALLY VIA ZOOM
Swyddog Pwyllgor	Ann Holmes 01248 752518 Committee Officer

AELODAU / MEMBERS

Cynghorwyr / Councillors:-

PLAID CYMRU / THE PARTY OF WALES

Geraint Bebb, Trefor Lloyd Hughes, MBE, Dyfed Wyn Jones, Euryrn Morris (*Deputy Chair*), Margaret M. Roberts

Y GRWP ANNIBYNNOL / THE INDEPENDENT GROUP

Ieuan Williams

LLAFUR CYMRU/WELSH LABOUR

Keith Roberts

ANNIBYNNWYR MÔN / ANGLESEY INDEPENDENTS

Liz Wood

AELODAU LLEYG / LAY MEMBERS

Dilwyn Evans (*Chair*), William Parry, Sharon Warnes, Michael Wilson

Please note that meetings of the Committee are streamed for live and subsequent broadcast on the Council's website. The Authority is a Data Controller under the Data Protection Act and data collected during this live stream will be retained in accordance with the Authority's published policy

A G E N D A

1 DECLARATION OF INTEREST

To receive any declaration of interest by any Member or Officer in respect of any item of business.

2 MINUTES OF THE PREVIOUS MEETING (Pages 1 - 12)

To present the minutes of the previous meetings of the Governance and Audit Committee held on the following dates –

- 18 April 2024
- 21 May 2024 (election of Chair/Deputy Chair)

3 EXTERNAL AUDIT: DETAILED AUDIT PLAN 2024 (Pages 13 - 34)

To present the report of Audit Wales.

4 REVIEW OF THE GOVERNANCE AND AUDIT COMMITTEE'S TERMS OF REFERENCE (Pages 35 - 46)

To present the report of the Head of Audit and Risk.

5 INTERNAL AUDIT ANNUAL REPORT 2023/24 (Pages 47 - 66)

To present the report of the Head of Audit and Risk.

6 ANNUAL REPORT OF THE GOVERNANCE AND AUDIT COMMITTEE 2023/24 (Pages 67 - 90)

To present the report of the Chair of the Governance and Audit Committee.

7 GOVERNANCE AND AUDIT COMMITTEE EFFECTIVENESS REVIEW ACTION PLAN UPDATE (Pages 91 - 96)

To present the report of the Head of Audit and Risk.

8 GOVERNANCE AND AUDIT COMMITTEE ACTION LOG (Pages 97 - 100)

To present the report of the Head of Audit and Risk.

9 EXTERNAL AUDIT: SETTING OF WELLBEING OBJECTIVES - ISLE OF ANGLESEY COUNTY COUNCIL (Pages 101 - 122)

To present the report of Audit Wales and the organisational response.

10 EXTERNAL AUDIT: WORK PROGRAMME AND TIMETABLE Q4 UPDATE (Pages 123 - 142)

To present the report of Audit Wales.

Please note that meetings of the Committee are streamed for live and subsequent broadcast on the Council's website. The Authority is a Data Controller under the Data Protection Act and data collected during this live stream will be retained in accordance with the Authority's published policy

11 REVIEW OF FORWARD WORK PROGRAMME 2024/25 (Pages 143 - 150)

To present the report of the Head of Audit and Risk.

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GOVERNANCE AND AUDIT COMMITTEE

Minutes of the hybrid meeting held on 18 April 2024

PRESENT: Mr Dilwyn Evans (Lay Member) (Chair)
Councillor Euryrn Morris (Deputy Chair)

Councillors Geraint Bebb, Dyfed Wyn Jones, Keith Roberts, Margaret M. Roberts, Ieuan Williams

Lay Members: Michael Wilson, William Parry, Mrs Sharon Warnes

IN ATTENDANCE: Director of Function (Resources) and Section 151 Officer
Head of Audit and Risk
Head of Housing Services (for item 4)
Head of Profession (HR) and Transformation (for item 8)
Corporate Planning, Performance and Programme Manager (for item 8)
IT Team Manager (MH) (for item 13)
IT Infrastructure Manager (MD) (for item 13)
Revenues and Benefits Service Manager (LIR) (for item 4)
Principal Auditor (NW)
Committee Officer (ATH)
Webcasting Officer (FT)

APOLOGIES: Councillors Trefor Lloyd Hughes MBE, Liz Wood.

ALSO PRESENT: Councillor Robin Williams (Deputy Leader and Portfolio Member for Finance), Alan Hughes (Performance Audit Lead – Audit Wales), Bethan H. Owen (Accountancy Services Manager), Andrew Lewis (Senior Auditor).

1. DECLARATION OF INTEREST

No declaration of interest was received.

2. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting of the Governance and Audit Committee held on 8 February 2024 were presented and were confirmed as correct.

Arising thereon – The Head of Audit and Risk informed the Committee with reference to item 5 (Corporate Health and Safety Annual Report 2022/23) that having asked the Risk and Insurance Manager to undertake an analysis of insurance claims against the increase in slips and falls she could confirm that there was no correlation between the number of insurance claims and an increase in the number slips and falls.

3. REVIEW OF THE GOVERNANCE AND AUDIT COMMITTEE

The report of the Head of Audit and Risk incorporating CIPFA's review of the operation of the Governance and Audit Committee was presented for the Committee's consideration. The report set out the outcome of a piece of work which the Governance and Audit Committee of the Isle of Anglesey County Council commissioned CIPFA to undertake to fulfil the requirements of CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 which recommends that audit committees evaluate their impact and identify areas for improvement.

The Head of Audit and Risk provided an overview of the report highlighting the conclusions of the review and the areas identified for improvement and she outlined the contents of the action plan formulated to address the recommendations made by the review.

Points of discussion by the Committee –

- The value of producing an action log in tabular form following each meeting utilising the action tracking system deployed by Internal Audit to enable the Committee to monitor the progress and completion of the actions/decisions it has agreed upon. The Head of Audit and Risk confirmed that she would be producing an action log for each meeting.
- Some disparity between the use of terminology in the English and Welsh versions of the review report were noted which could create confusion/misunderstanding especially where a Welsh term has dual meaning as in "cynghorwyr" meaning councillors and/or advisors. The Head of Audit and Risk confirmed that the Welsh translation had been arranged by CIPFA and undertaken externally to the Council's own translation service.
- That the review is predominantly focused on processes and practice and does not make substantive reference to the Committee's impact or effect. The Committee noted that it would have been helpful had the review included more in the way of feedback on the Committee's performance from management especially as the personnel interviewed had included senior and key officers.
- That it might also have been useful had CIPFA attended more meetings of the Governance and Audit Committee to gain a fuller appreciation of the Committee in operation as well as the CIPFA representative and report author being in attendance for the presentation of the review report.
- Whether areas within the Committee's terms of reference identified as implicit should be made explicit. It was noted that the review refers to six annual reports having been presented to the Committee that were not explicitly on the terms of reference and clarification of the reasoning for their having been brought to the Committee was sought.
- That when setting the agenda consideration be given to differentiating between items requiring a decision/resolution and those to be noted as information as well to the number of items for information only. Items should also be appropriate and within the Committee's remit.
- The ways in which the Committee can improve its effectiveness and output and become more proactive rather than reactive. Suggestions were made about reports needing to be clear regarding their purpose and the expectations of the Governance and Audit Committee in terms of the decisions/action required. It was suggested that briefings might be more productive and helpful to members were they held with the Committee in its entirety rather than pre-meeting with the Chair and Deputy Chair. It was further suggested that the Committee could be briefed in advance on an upcoming agenda item and members asked to explore/research the subject area themselves so that they can bring ideas to the meeting when the Committee formally considers the matter.
- That the Committee's approach should be more risk focused with greater attention and examination being given to those reports where the risks to the business and therefore the impact if not effectively mitigated, are higher.

The Committee was advised by the Head of Audit and Risk with regard to the alignment between matters brought to the Committee and its Terms of Reference that the six annual reports presented to the Committee highlighted by the review as not being explicitly on the Committee's Terms of Reference relate to the Committee's responsibilities in respect of the Council's assurance framework i.e., they are mainly assurance reports (with two pertaining to the Council's complaints handling which are statutory requirements), but are not explicitly listed in the Terms of Reference. CIPFA's view was that those reports should be explicit within the terms of reference if they need to be revisited by the Committee on an annual basis and not captured implicitly under a general governance and assurance heading. The Head of Audit and Risk said that with the Committee's agreement she would circulate to the Committee's members for comment the Terms of Reference with the annual reports explicitly set out therein before the Terms of Reference are then brought to the Committee for review at its June 2024 meeting.

It was resolved –

- **To note CIPFA's review of the Governance and Audit Committee and,**
- **To approve the actions proposed to address CIPFA's recommendations.**

Additional actions agreed –

- **Head of Audit and Risk to produce an action log to monitor progress against actions/decisions agreed at each meeting.**
- **Head of Audit and Risk to circulate to the Committee's members for comment the Committee's Terms of Reference with the changes recommended by CIPFA ahead of their formal review by Committee in June 2024.**
- **To enhance the Committee's proactiveness, that consideration be given to trialling an approach whereby the Committee is briefed in advance of an upcoming agenda item to enable members to research the subject area for ideas ahead of its being formally considered by the Committee.**

4. INTERNAL AUDIT UPDATE

The report of the Head of Audit and Risk providing an update as at 31 March, 2024 on the audits completed since the previous update as at 31 January 2024 was presented for the Committee's consideration. The report also set out the current workload of Internal Audit and its priorities for the short to medium term going forward. Members of the Committee were provided under separate cover with copies of the four internal audit reports finalised since the last update in relation to Galw Gofal (Partnership Governance) (First Follow-Up) (Reasonable Assurance); IT Audit – Corporate Access Management (Reasonable Assurance); Recovery of Council Tax, Non-Domestic Rates and Sundry Debts (First Follow-Up) (Limited Assurance) and the Administration of Disabled Facilities Grants (Limited Assurance). The two Limited Assurance reports were accompanied by action plans to address the issues/risks raised by the internal audit review.

The report was presented by the Head of Audit and Risk who provided an overview of the contents.

The Director of Function (Resources)/Section 151 Officer provided the background to the Limited Assurance report in relation to the recovery of Council Tax, Non-Domestic Rates and Sundry Debts and outlined the factors which had impacted on the debt situation and explained the measures being taken to improve the position and the effectiveness of income collection and debt recovery. Further details were provided by the Revenue and Benefits Service Manager.

The Head of Housing Services provided contextual information with regard to the Limited Assurance report in relation to the Administration of Disabled Facilities Grants and he referred to increasing demand not being matched by additional resources as challenges with the administration and delivery of DFGs. The Service accepts the report and action plan and is committed to addressing the issues raised within the allotted timescale of 1 July 2024.

Points of discussion by the Committee –

- That it would have been helpful had the audit follow up report included contextual information in relation to Council Tax, Non-Domestic Rates and Sundry Debts to help members get to the nub of the matter in respect of outstanding debt and how to tackle it. It was noted that the report does not reference any of the challenges, mitigating factors and actions taken as described by the Section 151 Officer in his presentation of the background, to address issues and improve the situation. The Committee further noted that where assurance is limited, members need to be able to focus attention on areas where actions can have an effect rather than on areas where the prospect of improvement is limited as in the recovery of certain debts especially social care debts. Adopting a project management methodology was suggested.
- That it would also be helpful if the Committee was apprised of the total sum of non-recoverable debt so that it could make recommendations for a way forward.
- Whether there is a formula for determining when the pursuit of debt becomes uneconomical.
- Whether the application process for business rates relief is too complicated and a disincentive to apply.
- The treatment of debt on the Council's balance sheet as part of the accounts.
- With regard to the administration of DFGs, specifically the non-alignment between DFG key performance indicators and Welsh Government's Housing Adaptations Standards expected timeframes, members sought clarification of the Housing Service view of this being an issue for the Council as a whole, not solely the Housing Service.
- Capacity within Internal Audit and whether having two vacant posts within the service is likely to affect the delivery of the audit plan.

The Committee was advised as follows -

- That the Resources Service is aiming to reach a position whereby it is able to identify those debts which are recoverable and focus resources in those areas to maximise the opportunities for recovery whilst accepting that there will be some debts that will not be collected despite best efforts.
- That that assessment cannot be made until such time as the existing debt backlog has been sifted and analysed with consideration being given by the Section 151 Officer and Revenue and Benefits Service Manager to applying an additional resource to that task, funds allowing. Arriving at a total non-recoverable debt figure is part of that process.
- The details regarding the work undertaken and work remaining to be undertaken to address the issues raised are all contained within the action plan agreed by management and internal audit. It is a matter for the Committee to determine whether it is able to take assurance from the information provided.
- That with regard to business rates relief the Service has been actively encouraging businesses to apply for relief and has engaged Menter Môn in that endeavour.
- That whilst the gross debt is shown in the Council's accounts a provision for bad debt is included which reduces the net carrying value of the debt. The calculation is made based on the age, amount, and type of the debt and where collection is deemed unlikely or the debt is aged, the provision is higher. The revenue account will have therefore absorbed

the loss each year meaning that writing off the debts would not incur a significant one-off revenue cost as it has been accounted for in the provision calculation each year.

- With regard to the DFG performance indicators being a matter for the Council, the issue relates to whether the timeframe applies from when the client initiates contact which would then also involve the Social Services or from when the Housing Service commences the adaptation.
- With regard to the capacity of the Internal Audit Service, the two current vacancies within the service have not affected the progress of work against the audit strategy as the budget savings from the vacancies are being utilised to commission external support particularly in specialist areas. Internal Audit teams across the board are currently experiencing recruitment challenges.
- In response to a suggestion about introducing a graduate trainee programme the Committee was advised that Internal Audit does not have the resources/capacity at present to support a graduate trainee and that the expectations on internal audit in terms of the skills necessary to keep up with the challenges of providing assurance and risk assessment as those areas become more complicated and specialised means that entry into the service in Anglesey is at qualified, senior level.

It was resolved to note the outcome of Internal Audit's work, and to accept the assurance provided and priorities going forward.

5. OUTSTANDING ISSUES AND RISKS

The report of the Head of Audit and Risk setting out the outstanding actions across the Council as at 31 March 2024 was presented for the Committee's consideration. A detailed status update of the five outstanding "major" rated issues/risks was provided at Appendix 1 to the report.

The Principal Auditor updated the Committee on current performance and the status of the outstanding actions which Internal Audit has raised as illustrated by the graphs in the report and she confirmed that Internal Audit endeavours to pursue all outstanding actions to ensure their completion.

It was resolved to accept the report and the Council's progress in addressing outstanding Internal Audit issues/risks as satisfactory.

6. INTERNAL AUDIT STRATEGY 2024/25

The report of the Head of Audit and Risk incorporating the Internal Audit Strategy for 2024/25 was presented for the Committee's consideration.

The Head of Audit and Risk presented the report and strategy as risk based with resources directed to the highest areas of risk in line with the strategic risk register (Details of proposed audits were set out in Appendix A to the strategy). Whilst the strategy has been set in consultation with the Director of Function (Resources)/Section 151 Officer and Heads of Service, Internal Audit will continue to engage with senior management over the course of the plan to ensure the service remains up to date and responsive to any emerging issues and concerns.

Points of discussion by the Committee –

- In light of the two vacancies within the Internal Audit service, whether there is appropriate reconciliation between the work planned and the resources available and whether the balance between in-house and third-party resources meets the requirements given that there is only one scheduled audit requiring external commissioned expertise in relation to cyber security.

- Recruitment arrangements and succession planning within the Internal Audit Service. Some concern was expressed regarding the implications for the future of the service and the development of the next generation of internal auditors if entry into the service at Anglesey is at senior level.
- Whether introducing a system of auditor- accountant rotation might be helpful in addressing internal audit recruitment challenges.
- Given that one of the stated objectives of the Internal Audit Service is to provide effective challenge and act as a catalyst for positive change and continual improvement, there is no reference in the planned work to how this objective will be delivered or the role Internal Audit might have in providing independent input into service transformation and change.
- The propriety of the Committee escalating recruitment and resource issues for management/Executive attention.

The Committee was advised as follows –

- That the Internal Audit Service does have recourse to an external auditor who undertakes some of the complex strategic risk register audits in addition to the inhouse Principal and Senior Auditors. The proposed internal audit coverage also includes non-strategic risk areas which are detailed under the category of other audit work.
- That regarding staffing and recruitment, the Internal Audit function has changed considerably in recent years and as resources have reduced the ways in which internal audit works have had to change to ensure the organisation obtains the best value from those limited resources which is a trend that is being replicated across services. Lower level/scale posts are therefore becoming obsolete because the work carried out at this level does not add value to the organisation.
- That there may be greater opportunities in larger internal audit teams for graduate trainees to gain shadowing experience but for Anglesey's Internal Audit Service it is more effective, efficient, and better value for money to commission skilled and experienced auditors from outside the organisation to supplement existing inhouse resources where required. Additionally, external audit provides an assessment of the adequacy of internal audit arrangements.
- That the main focus of Internal Audit is to provide assurance, and although it can also act as a critical friend and provide challenge (Internal Audit's contribution to the Housing Service's review of its approach to procurement was cited), change management is managed by the services and each service has its own Business Manager to scrutinise and improve business practices and processes. Larger corporate change projects are managed by the Corporate Transformation Service.
- That rotating auditor and accountants would be a challenge as each role has its own different skillset.
- That the Committee's role is to highlight areas of risk that have the potential to become issues for the Council and to bring those to the attention of the Executive or management.

The Head of Audit and Risk advised that internal audit capacity is not at a point requiring escalation, and she confirmed that internal audit has the necessary resources to deliver the strategy and to provide an assurance opinion.

The Committee further suggested that it might be helpful to ask the Head of Audit and Risk to raise the issue of capacity/recruitment at the Wales Chief Auditors Group. The Head of Audit and Risk advised that Denbighshire Council has established a working group to examine the feasibility of sharing audit resources between the six North Wales councils.

It was resolved that the Governance and Audit Committee –

- **Approves the risk-based Internal Audit Strategy 2024/25 as providing the Council with the assurance it needs.**
- **Confirms that it is content with internal audit's resource requirements and the use of other sources of assurance.**
- **Confirms that it is content that there are no inappropriate scope or resource limitations.**

7. INTERNAL AUDIT CHARTER

The report of the Head of Audit and Risk incorporating the Internal Audit Charter was presented for the Committee's consideration.

The Head of Audit and Risk presented the report and she highlighted amendments to the Charter since it was last reviewed and approved by the Committee in December 2022 and the basis for them.

It was resolved to note the review and to approve the amendments to the Internal Audit Charter as detailed in the report.

8. NATIONAL REVIEWS AND THEIR RELATED RECOMMENDATIONS

The report of the Head of Profession (HR) and Transformation setting out the Council's response to recognised national reports and associated recommendations published by regulators was presented for the Committee's consideration. The report also updated the Committee on the work which the Council has undertaken over the past 15 months in addition to that presented to the Committee on 8 December 2022. The report sought to provide assurance that the national recommendations attached to national reports have been given due attention by the Council and that relevant recommendations are being implemented in a meaningful way.

Points of discussion by the Committee with regard to the form and content of the report –

- A reduction in the amount of narrative, context, and level of detail would make the report more accessible
- That the focus should be on actions/recommendations outstanding, any barriers to completion and the risk to the Council from non-implementation
- That the date of the national report/publication be included
- That the RAG status of actions be noted

The Head of Audit and Risk advised that she had been liaising with the Corporate Planning, Performance and Programme Manager with a view to incorporating the recommendations/ actions arising from national reports within the 4action tracking system, and she suggested that it might be helpful if a report on the lines of the Internal Audit Outstanding Risks/Issues report could be produced for the national reviews and their recommendations for the future.

It was resolved –

- **To accept the report and updates as an accurate reflection of the County Council's annual update against the related recommendations**
- **To agree that the reports recommended for removal within the green table no longer need to be listed in future reports.**

Additional action agreed – That the format and content of future reports regarding national reviews and their related recommendations be amended as suggested

9. EXTERNAL AUDIT: AUDIT WALES WORK PROGRAMME AND TIMETABLE

The report of Audit Wales which provided an update on progress against its financial and performance audit work programmes as at 31 December 2023 was presented for the Committee's information.

Mr Alan Hughes, Audit Wales Performance Audit Lead brought the Committee up to date on the latest status of Audit Wales's financial and performance audit work.

The Committee requested that for the future, reports by Audit Wales be accompanied by a covering report setting out the purpose of each report and the expectations on the Committee in considering it.

It was resolved to note the Audit Wales Work Programme and Timetable update.

Additional action agreed – that report by Audit Wales be accompanied in future by a covering report setting out the purpose of each report and the expectations on the Committee in considering it.

10. EXTERNAL AUDIT: ANNUAL AUDIT SUMMARY 2023 – ISLE OF ANGLESEY COUNTY COUNCIL

The report of Audit Wales summarising the work completed in relation to the Isle of Anglesey County Council since the last Annual Audit Summary which was issued in March 2023 was presented for the Committee's information.

The report was presented by Mr Alan Hughes, Audit Wales's Performance Audit Lead who highlighted Anglesey's demographics particularly an ageing population as a significant consideration in future service planning and decision making.

It was resolved to note the Annual Audit Summary 2023 for the Isle of Anglesey.

Additional Action Agreed – as for item 9

11. REVIEW OF FORWARD WORK PROGRAMME 2023/24

The report of the Head of Audit and Risk incorporating the Committee's Forward Work Programme and Training Programme for 2023/24 was presented for the Committee's consideration. Changes to the scheduling of reports were highlighted by the Head of Audit and Risk and were noted by Members.

It was resolved -

- **To accept the Forward Work Programme 2023/24 as meeting the Committee's responsibilities in accordance with its terms of reference.**
- **To note the changes to the dates on which reports will be submitted.**

12. EXCLUSION OF PRESS AND PUBLIC

It was considered and resolved Under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test presented.

13. ANNUAL CYBER SECURITY REPORT 2023/24

The report of the Head of Profession (HR) and Transformation incorporating the Annual Cyber Security Report 2023/24 was presented for the Committee's consideration. The report outlined some of the challenges in cyber security experiences in 2023/24 and how those were overcome, the common cyber threats that face the Council and the mitigating and operational controls in place to detect and prevent malicious activity.

The report was presented by the IT Team Manager who provided an overview of the contents.

Points of discussion by the Committee –

- That it would be helpful for Members to be informed in future reports of any successful penetrations against the Council's IT/cyber security defences and how they were dealt with and the measures taken.
- The role of software owners in providing alert mechanisms
- The implications of the growth of Artificial Intelligence

The Committee was advised that a draft outline policy on the usage of Artificial Intelligence is in preparation and will address the approach to be taken, the risks involved and mitigation measures to be applied.

It was resolved to accept the Annual Cyber Security Report for 2023/24.

Additional action agreed – that the Annual Cyber Security Report in future include instances (if any) where the Council's IT/cyber security defences have been penetrated and the remedial actions taken.

Following the conclusion of the formal committee meeting, a private meeting between members of the Governance and Audit Committee, external audit and internal audit took place with no officers present.

**Mr Dilwyn Evans
Chair**

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GOVERNANCE AND AUDIT COMMITTEE

Minutes of the hybrid meeting held on 21 May 2024

PRESENT: Councillors Geraint Bebb, Dyfed Wyn Jones, Euryrn Morris, Keith Roberts, Margaret M Roberts, Liz Wood and Ieuan Williams

Lay Members – Mr Dilwyn Evans, Mr William Parry, Mrs Sharon Warnes

IN ATTENDANCE: Head of Democracy,
Legal Services Manager (RJ),
Committee Officer (MEH)

APOLOGIES: Councillor T LI Hughes MBE
Mr Michael Wilson – Lay Member

ALSO PRESENT: Councillor Glyn Haynes – Chair of the Isle of Anglesey County Council

1 DECLARATION OF INTEREST

None received.

2 ELECTION OF CHAIRPERSON

Mr Dilwyn Evans was elected Chairperson of the Governance and Audit Committee.

3 ELECTION OF DEPUTY CHAIRPERSON

Councillor Euryrn Morris was elected Deputy Chairperson of the Governance and Audit Committee.

**COUNCILLOR GLYN HAYNES
AS CHAIR OF THE COUNTY COUNCIL**

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	27 June 2024
Subject	Audit Wales - Detailed Audit Plan 2024 - Draft
Head of Service	Carys Edwards Head of Profession HR and Transformation CarysEdwards@anglesey.gov.wales
Report Author	Gwyndaf Parry Corporate Planning, Performance and Programme Manager GwyndafParry@anglesey.gov.wales
<p>Nature and Reason for Reporting The Governance and Audit Committee's Terms of Reference require it to oversee the external audit arrangements, comment on the scope and depth of external audit work and ensure it gives value for money. It will consider external audit reports and will monitor their recommendations. (3.4.8.11.3) The Committee is required to consider the report and provide feedback to Audit Wales on its content.</p>	

1.0 INTRODUCTION

- 1.1 The report sets out the work Audit Wales intends undertaking to address the audit risks identified and other key areas of focus during 2024.
- 1.2 It also sets out the estimated audit fee, details of the audit team and key dates for delivering the audit team's activities and planned outputs.

2.0 RECOMMENDATION

- 2.1 That the Governance and Audit Committee:
 - Considers the report and provides feedback on the planned audit work and related fees for 2024.

Isle of Anglesey County Council – Detailed Audit Plan 2024

Audit year: 2023-24

Date issued: June 2024

Document reference: 4292A2024



This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

About Audit Wales

Our aims and ambitions

Assure



the people of
Wales that public
money is well
managed

Explain



how public
money is being
used to meet
people's needs

Inspire



and empower
the Welsh
public sector to
improve



Fully exploit
our unique
perspective,
expertise and
depth of insight



Strengthen our
position as an
authoritative,
trusted and
independent
voice



Increase our
visibility,
influence and
relevance



Be a model
organisation for
the public sector
in Wales and
beyond

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Introduction

I have now largely completed my planning work.

This Detailed Audit Plan specifies my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

It sets out the work my team intends undertaking to address the audit risks identified and other key areas of focus during 2024.

It also sets out my estimated audit fee, details of my audit team and key dates for delivering my audit team's activities and planned outputs.



Adrian Crompton

Auditor General for
Wales

Audit of financial statements

I am required to issue a report on your financial statements which includes an opinion on their 'truth and fairness' and the proper preparation in accordance with accounting requirements.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

In addition to my responsibilities for auditing the Council's financial statements, I also have responsibility for:

- certifying a return to the Welsh Government which provides information about the Isle of Anglesey to support preparation of Whole of Government Accounts;
- responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary);
- the certification of a number of grant claims and returns as agreed with the funding bodies.

I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material is set out later in this plan.

There have been no limitations imposed on me in planning the scope of this audit.

Performance audit work

I must satisfy myself that the Council: My work programme is informed by specific issues and risks facing the Council and wider local government in Wales. I have also taken account of the work that is being undertaken or planned by other external review bodies and by internal audit.

My local performance audit programme will continue to be delivered through a combination of an Assurance and Risk Assessment Project, bespoke local projects and thematic projects examining risks common to all councils.

My performance audit work is designed to comply with auditing standards set out by the International Organisation of Supreme Audit Institutions (INTOSAI). This is a global umbrella organisation for the performance audit community. It is a non-governmental organisation with special consultative status with the Economic and Social Council (ECOSOC) of the United Nations.

Your audit at a glance



My financial statements audit will concentrate on your risks and other areas of focus

My audit planning has identified the following risks:

Significant financial statement risk

- The risk of management override of controls

Other areas of audit focus

- Valuation of pension fund net liability
- Valuation of land and buildings



My performance audit will include:

- Assurance and Risk Assessment
- Local work – Review of Cyber Security Arrangements
- Local project work – Establishing a Port Health Authority



Materiality

Materiality £2.967 million

Reporting threshold £148k (5% of materiality)



Materiality £2.967 million

My aim is to identify and correct material misstatements, that is, those that might otherwise mislead the user of the accounts.

At the planning stage, materiality is calculated using:

- 2022-23 gross expenditure of £296.7 million. Actual 2023-24 gross expenditure will be used to update our materiality calculation when available.
- Materiality percentage of 1%

I report to those charged with governance any misstatements above a trivial level (set at 5% of materiality).

-



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:

- Remuneration disclosures £1,000
- Related party disclosures £10,000 (Individuals),

Significant financial statements' risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other ISAs. The ISAs require us to focus more attention on these significant risks.

Exhibit 1: significant financial statement risks

Significant risk	Our planned response
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team will: <ul style="list-style-type: none"><li data-bbox="695 824 1289 920">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;<li data-bbox="695 927 1182 958">• review accounting estimates for bias;<li data-bbox="695 965 1235 1061">• evaluate the rationale for any significant transactions outside the normal course of business;

The audit team is yet to conclude all areas of the risk assessment. Should any further significant financial risks arise on completion of this work we will update the S151 officer and the Governance and Audit Committee via its chair and re-issue my Detailed Audit Plan if required.

Other areas of focus

I set out other identified risks of material misstatement which, whilst not determined to be significant risks as above, I would like to bring to your attention.

Exhibit 2: other areas of focus

Audit risk	Our planned response
<p>Valuation of pension fund net liability</p> <p>The Local Government Pension scheme (LGPS) and pension fund liability as reflected in the financial statements are material estimates.</p> <p>The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.</p> <p>The impact of economic conditions, particularly interest rate levels also has a significant impact on the liability at 31 March 2023 for example, the liability was in fact a surplus, primarily due to higher interest rates.</p> <p>There are also several legal cases potentially impacting on the valuation of the net liability.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • evaluate the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary’s work; • assess the competence, capabilities and objectivity of the actuary who carried out the valuations; • assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the liability; • test the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary; • assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor’s expert) and undertaking any additional procedures required; and • assess whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements. <p>Should the pension fund be in a net surplus position again this year the audit team will:</p> <ul style="list-style-type: none"> • understand the actuary’s process for calculating the surplus recognisable at 31 March 2023; and • consider whether the surplus is recognisable under IFRIC 14.

Audit risk	Our planned response
<p>Valuation of land and buildings</p> <p>The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates.</p> <p>Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions, and changes in these can result in material changes to valuations.</p> <p>Assets are required to be revalued every five years, but values may also change year on year, and there is a risk that the carrying value of assets reflected in the accounts could be materially different to the current value of assets as at 31 March 2024, particularly in the current economic environment.</p>	<p>The audit team will:</p> <ul style="list-style-type: none"> • review the information provided to the valuer to assess for completeness; • evaluate the competence, capabilities and objectivity of the professional valuer; • test a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable, and the revaluations have been correctly reflected in the financial statements; and • test the reconciliation between the financial ledger and the asset register.

Financial statements' audit timetable

I set out below key dates for delivery of my accounts audit work and planned outputs.

Exhibit 3: key dates for delivery of planned outputs

Planned output	Work undertaken	Report finalised
2024 Detailed Audit Plan	April – May 2024	June 2024
Audit of financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on the Financial Statements	July – November 2024	November 2024

Planned performance audit work

I set out below details of my performance audit work and key dates for delivery of planned outputs.

Exhibit 4: key dates for delivery of planned outputs

<p>Assurance and risk assessment</p>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p>	<p>Ongoing</p>
<p>Local project work – Review of Cyber Security Arrangements</p>	<p>A review of the arrangements that the Council’s has in place to provide cyber security.</p>	<p>Timescales for the project will be discussed with the Council and detailed within the specific project brief produced for the audit.</p>
<p>Local project work – Establishing a Port Health Authority</p>	<p>A review of the arrangements that the Council’s has in place to establish a port health authority.</p>	<p>Timescales for the project will be discussed with the Council and detailed within the specific project brief produced for the audit.</p>

Certification of grant claims and returns

I have also been requested to undertake certification work on the Council's grant claims, which I anticipate will include Housing Benefits, Teachers' Pensions, NDR and pooled budget returns.

Statutory audit functions

In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee below. If I do receive questions and objections, I will discuss potential audit fees at the time.

Fee and audit team

In January 2024, we published our [Fee Scheme](#) for the 2024-25 year as approved by the Senedd Finance Committee. My fee rates for 2024-25 have increased by an average of 6.4%, as a result of unavoidable inflationary pressures and the ongoing need to invest in audit quality.

I estimate your total audit fee will be £433,800.

Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Director of Function - Resources.

Our financial audit fee is based on the following assumptions:

- The agreed audit deliverables set out the expected working paper requirements to support the financial statements and include timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

Exhibit 5: breakdown of audit fee

Audit area	Proposed fee for 2024 (£) ¹	Estimated fee for 2023 (£)
Audit of financial statements ²	243,319	199,087
Performance audit work ³	115,481	103,908
• Grant certification work ⁴	70,000-80,000	65,000-75,000
• Total fee	433,800	372,995

¹ The fees shown in this document are exclusive of VAT, which is not charged to you.

² Payable November 2023 to October 2024.

³ Payable April 2024 to March 2025.

⁴ Payable as work is undertaken.

The main members of my team, together with their contact details, are summarised in **Exhibit 6**.

Exhibit 6: my local audit team

Name	Role	Contact details
Derwyn Owen	Engagement Director/Audit Director (Financial Audit)	derwyn.owen@audit.wales
Gary Emery	Engagement Director/Audit Director (Performance Audit)	gary.emery@audit.wales
Rachel Freitag	Audit Manager (Financial Audit)	rachel.freitag@audit.wales
Carwyn Rees	Audit Manager (Performance Audit)	carwyn.rees@audit.wales
David Tomalin	Audit Lead (Financial Audit)	david.tomalin@audit.wales
Alan Hughes	Audit Lead (Performance Audit)	alan.hughes@audit.wales

I can confirm that my team members are all independent of the Council and your officers.

Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD* and our Chair, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

* QAD is the quality monitoring arm of ICAEW.

Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies, and to support those bodies in continuing to improve the services they provide to the people of Wales.

Visit our website to find:

	our Good Practice work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our newsletter which provides you with regular updates on our public service audit work, good practice, and events.
	our publications which cover our audit work completed at public bodies.
	information on our forward performance audit work programme 2023-2026 which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various data tools and infographics to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	27 June 2024
Subject:	Review of the Governance and Audit Committee's Terms of Reference
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
Nature and Reason for Reporting: This report provides a revised Terms of Reference for the Committee in accordance with the recommendations of the Committee's self-assessment facilitated by CIPFA.	

1. Introduction

- 1.1. At its meeting of 18 April 2024, the Governance and Audit Committee received a report following the outcome of a piece of work undertaken to fulfil the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) [Position Statement: Audit Committees in Local Authorities and Police 2022](#), which recommends that audit committees evaluate their impact and identify areas for improvement.
- 1.2. CIPFA compared the Council's Governance and Audit Committee terms of reference to the sample terms of reference in the 2022 audit committee guidance and noted the following:
 - There are explicit references to the majority of the expected areas and implied references to most of the remaining areas. A few details were missing (in relation to the accounts) and in a few other cases extra details around risk activities may restrict the scope of the committee's work if applied literally. Some clauses overlap each other, which could result in confusion.
 - Six annual reports that came to the committee that are not explicitly included on the terms of reference.
- 1.3. Consequently, the report made a recommendation to:
 - Revise and streamline the Governance and Audit Committee's terms of reference to include all aspects of its work and remove any duplication.
- 1.4. Accordingly, the Terms of Reference have been revised and streamlined and are attached for consideration.

- 1.5. Members have previously been provided with a detailed document with the changes highlighted and comments to explain the reason for the changes. The opportunity was also taken to ensure the grammar and formatting is consistent.
- 1.6. Members were asked to comment on the changes by 11 June 2024, at the latest. No comments have been received.
- 1.7. The revised Terms of Reference are therefore submitted to this meeting for formal approval.

2. Recommendation

- 2.1. That the Governance and Audit Committee formally approves the revised Terms of Reference.

3.4.8 Governance & Audit Committee – Terms of Reference

3.4.8.1 Statement of purpose

3.4.8.1.1. The Governance and Audit Committee is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

3.4.8.1.2. The purpose of the Governance and Audit Committee is to provide to members of full Council (*those charged with governance*) independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes.

3.4.8.1.3. The Committee oversees internal and external audit and other regulators, helping to ensure effective assurance arrangements are in place for both internal challenge and public accountability. It also reviews and assesses the authority's ability to handle complaints effectively and makes reports and recommendations in relation to the authority's ability to handle complaints effectively. It also receives and comments upon the Council's annual self-assessment report and the report of the performance assessment panel.

3.4.8.1.4. There is clear separation between the role of the Governance and Audit Committee and that of scrutiny committees. The Governance and Audit Committee role seeks assurance that internal control systems of the Council are working and risks effectively managed, rather than the actual scrutiny of activities.

3.4.8.2 Composition and arrangements

3.4.8.2.1 The Governance and Audit Committee is a non-executive body established under the requirements of the Local Government (Wales) Measure 2011 and is a fully constituted committee of the Council operating at a strategic level. The Committee will conduct its business non-politically and must abide by the rules concerning political balance, in accordance with the Local Government and Housing Act 1989.

3.4.8.2.2 The Committee will consist of one third of lay members; eight elected members and four lay members, recruited through a public recruitment exercise. Elected members will be politically balanced and will not be members of the Executive, but the Finance Portfolio Holder is required, as far as possible, to attend all meetings of the Committee. The Chair must be a lay member and the Deputy Chair will not be a member of the Executive or an assistant to its Executive. The lay members will serve for a fixed term to coincide with the length of the Council, i.e. five years, and will serve a maximum of two terms. All members, including the lay members, are subject to the Council's Code of Conduct and will declare any interests. The lay members will have equal status to that of the elected members in terms of access to staff and information, for the purposes of the Governance and Audit Committee.

3.4.8.2.3 The committee members will decide upon the chair and deputy-chair of the Committee. All committee members, including the lay members, shall have a vote.

3.4.8.2.4 Any officer or member called to attend a Governance and Audit Committee meeting must do so. They are expected to provide honest, open and complete answers to questions raised by the Committee. The Committee can invite other persons to attend before it, but anyone else so invited to attend is under no compulsion to do so.

3.4.8.2.5 The Committee will meet at least four times a year and must meet if the full council so decides, or if at least a third of the Committee's members requisition in writing to the Chair that a meeting be held. The Council will publish the committee dates annually, but additional meetings can be arranged at the discretion of the Chair if the required number of days' notice is provided and that the agenda is published prior to the meeting, in accordance with regulations.

3.4.8.2.6 The Committee will meet in private, at least annually, with the internal and external auditors, without officers present. An agenda is not required, and the Chair does not require any prior notice of any topics to be raised.

3.4.8.2.7 The Director of Function (Resources) and Section 151 Officer, as the officer with responsibility for financial administration, will advise the Committee. The Committee will provide effective support to the Director of Function (Resources) and Section 151 Officer, who consequently, will have direct and unfettered access to the Committee, normally via the Chair.

3.4.8.2.8 The Committee may request additional work from the external and internal auditors but the final decision rests with the auditors.

3.4.8.2.9 The external and internal auditors of the Council have the right to request the Chair of the Committee to consider any matter that the auditors believe should be brought to the attention of the Council.

3.4.8.2.10 All new members will receive a full induction to the Committee. Members will have role descriptions and will review their knowledge and skills through a self-assessment process. They will receive appropriate ongoing training in their role in accordance with an annual training programme and will receive regular briefings on new legislation, professional guidance and research.

3.4.8.3 Accountability arrangements

3.4.8.3.1 The Committee will report to full council (*'those charged with governance'*) on an annual basis the Governance and Audit Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks; financial reporting arrangements, complaints handling and internal and external audit functions.

3.4.8.3.2 The Committee will report to full council (*'those charged with governance'*) on an annual basis the effectiveness of the Committee in meeting its purpose and its agreed terms of reference, including a conclusion on the compliance with the

Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement. A regular self-assessment will be used to support the planning of the Governance and Audit Committee work programme and training plans and will inform the Committee's annual report.

3.4.8.3.3 The Committee is subject to normal arrangements of openness. Meetings will be held in public, agendas and reports are published and available for inspection. The exception to this is where 'exempt items' are being considered, which are chiefly matters which involve discussions concerning named individuals or refer to the business affairs of the Council which could prejudice the interests of the Council commercially, financially and legally. The Committee will make the final decision following the advice of the Council's Monitoring Officer.

3.4.8.4 Governance reporting

3.4.8.4.1 The Committee will review and assess the Council's corporate governance arrangements against the good governance framework, including the ethical framework, and will consider the local code of governance.

3.4.8.4.2 The Committee will review the Annual Governance Statement (AGS) prior to full council approval and consider whether it properly reflects the risk environment and supporting assurances, including the Head of Audit and Risk's annual opinion. It will consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

3.4.8.4.3 The Committee will support the Council to implement the values of ethical governance. It will promote measures to improve transparency and accountability and effective public reporting to the authority's stakeholders and the local community. As part of its review of governance arrangements, it will ensure there are adequate arrangements in place to enforce a strong commitment to ethical values, behaving with integrity and legal compliance at all levels.

3.4.8.4.4 The Committee will review the governance and assurance arrangements available for significant partnerships or collaborations. To this end, the Committee will receive a copy of the Partnership and Regeneration Scrutiny Committee's annual report.

3.4.8.5 Treasury management

3.4.8.5.1 Full council has nominated the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

3.4.8.5.2 The Committee will undertake a scrutiny role in accordance with the CIPFA Treasury Management Code of Practice, prior to approval by full council. Where it is undertaking this scrutiny role, it will endeavour to develop greater awareness and understanding of treasury matters among the members.

3.4.8.5.3 The Committee will review the treasury management policy and procedures to be satisfied that controls are satisfactory. It will receive six-monthly reports on activities, issues and trends to support the Committee's understanding of treasury management activities.

3.4.8.5.4 The Committee will review the treasury risk profile and processes and will review assurances on treasury management.

3.4.8.6 Value for money

3.4.8.6.1 The Committee will support the development of robust arrangements to ensure that the Council makes best use of its resources and taxpayers and service users receive excellent value for money.

3.4.8.6.2 The Committee will consider the Council's arrangements to secure value for money.

3.4.8.6.3 The Committee will consider assurances and assessments on the effectiveness of these arrangements.

3.4.8.7 Assurance framework

3.4.8.7.1 The Committee will consider the Council's assurance framework and ensure that it adequately addresses the risks and priorities of the Council.

3.4.8.7.2 The Committee will ensure there is clarity of what assurance is provided, that there is a clear allocation of responsibility for providing assurance and duplication is avoided.

3.4.8.7.3 Annual assurance reports received by the Committee include, but are not limited to:

- Corporate Health and Safety
- Cyber Security
- Senior Information Risk Owner
- Information Governance in Schools
- Insurance

3.4.8.8 Risk management

3.4.8.8.1 The Committee will review, assess and report on the effective development and operation of risk management arrangements in the Council. In particular, it will:

- Oversee the authority's risk management policy and strategy, and their implementation in practice.
- Oversee the integration of risk management into the governance and decision-making processes of the organisation.

- Review the arrangements to co-ordinate and lead risk management, including the process and reporting lines.
- Review the risk profile, keep up to date with significant areas of strategic risks and major operational and project risks.
- Review the assurance available for managing partnership risks, including the risk profile of the Council as part of the partnership.
- Seek assurance that adequate risk assessments support strategies and policies and risks are actively being managed and monitored.
- Follow up and monitor risks identified by auditors and inspectors to ensure that they are integrated into the risk management process.
- Support the development and embedding of good practice in the field of risk management practice by overseeing any evaluation or assessment of the council's arrangements, such as a risk maturity assessment or risk benchmarking, and reviewing evaluation, assurance and audit reports on risk management and monitoring progress on improvement plans.

3.4.8.8.2 Assurance over risk management will be a key element underpinning the Annual Governance Statement.

3.4.8.8.3 When acting as a risk committee, the Committee will:

- Review the strategic risk register and seek assurance that management appropriately own and manage risks effectively.
- Consider the adequacy and effectiveness in capturing and assessing the strategic risks.
- Evaluate whether planned mitigations are appropriate and effective, making recommendations to the responsible risk owner where appropriate.

3.4.8.9 Countering fraud and corruption

3.4.8.9.1 The Committee will review the effectiveness of the Council's whistleblowing arrangements, including the policy.

3.4.8.9.2 The Committee will have oversight of the Council's arrangements for managing the risks from fraud and corruption, providing assurance that they are fit for purpose and will champion good counter fraud and anti-corruption practice to the wider organisation.

3.4.8.9.3 The Committee will monitor the counter-fraud and corruption strategy, actions and resources, to ensure that it meets with recommended practice, governance standards and legislation.

3.4.8.9.4 The Committee will review the assessment of fraud risks and potential harm to the Council from fraud and corruption. It will review the fraud risk profile to understand the level of fraud risk to which the authority is exposed and the implications for the wider control environment.

3.4.8.9.5 It will oversee any major areas of fraud, identified in an annual report and monitor action plans to address control weaknesses.

3.4.8.9.6 The Committee will consider the assurance provided by internal audit.

3.4.8.10 Internal audit

3.4.8.10.1 The Local Government (Wales) Measure 2011 has an explicit requirement for the Governance and Audit Committee to oversee the Council's internal audit arrangements.

3.4.8.10.2 The Committee will review and approve the Internal Audit Charter, which defines the internal audit's activity purpose, authority and responsibility.

3.4.8.10.3 If applicable, it will review proposals and make recommendations in relation to the appointment of external providers of internal audit services.

3.4.8.10.4 The Committee will approve (but not direct) the risk-based internal audit strategy, including internal audit's resource requirements and the use of other sources of assurance. It will have a good understanding of the level of assurance risk management provides when it reviews the risk-based internal audit strategy. The Committee will approve significant interim changes to the strategy.

3.4.8.10.5 The Committee will make appropriate enquiries of both management and the Head of Audit and Risk to determine if there are any inappropriate scope or resource limitations.

3.4.8.10.6 The Committee will consider an annual report from the Head of Audit and Risk on internal audit's performance, including the performance of external providers of internal audit services.

3.4.8.10.7 The Committee will consider the Head of Audit and Risk's annual report and the opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion. These will assist the Committee in reviewing the Annual Governance Statement.

3.4.8.10.8 The Committee will consider the statement contained in the annual report of the level of conformance with the Public Sector Internal Audit Standards and the results of the Quality Assurance and Improvement Programme that support the statement – these will indicate the reliability of the conclusions of internal audit.

3.4.8.10.9 The Committee will consider updates on the work of internal audit including key findings, issues of concern, management responses and action in hand as a result of internal audit work. It will consider summaries of specific internal audit reports as requested, including the effectiveness of internal controls and will monitor the implementation of agreed actions.

3.4.8.10.10 The Committee will receive reports outlining the action taken where the Head of Audit and Risk has concluded that management has accepted a level of risk

that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

3.4.8.10.11 The Committee will consider reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.

3.4.8.10.12 The Committee will consider, approve and periodically review any safeguards put in place to limit impairments to independence and objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Audit and Risk.

3.4.8.10.13 The Committee will receive regular reports on and contribute to the Quality Assurance and Improvement Programme and, in particular, to the external quality assessment of internal audit that takes place at least once every five years. It will oversee the qualifications and independence of the assessor.

3.4.8.10.14 The Committee will consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit (Wales) Regulations 2014.

3.4.8.10.15 The Committee will provide free and unfettered access to the Governance and Audit Committee Chair for the Head of Audit and Risk, including the opportunity for a private meeting with the committee.

3.4.8.11 External audit

3.4.8.11.1 The Committee will support the independence and objectivity of external audit through consideration of the external auditor's annual assessment of its independence.

3.4.8.11.2 The Committee will consider the external auditor's annual report, other relevant reports and the report to *'those charged with governance'*.

3.4.8.11.3 The Committee will oversee external audit arrangements, comment on the scope and depth of external audit work and ensure it gives value for money. It will consider external audit reports and will monitor their recommendations.

3.4.8.11.4 The Committee will advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

3.4.8.11.5 There will be an opportunity for the Governance and Audit Committee to meet privately and separately with the external auditor, independent of those officers with whom the auditor must retain a working relationship.

3.4.8.12 Financial reporting

3.4.8.12.1 The Committee will review and scrutinise the Council's financial affairs, making reports and recommendations in relation to them.

3.4.8.12.2 The Committee will monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.

3.4.8.12.3 The Committee will review, prior to approval by full council, the authority's annual financial statements, including the explanatory foreword, key messages, trends, consistency with financial performance, suitability of and compliance with accounting policies and treatments and major judgmental areas.

3.4.8.12.4 The Committee will consider the external auditor's report to 'those charged with governance' on issues arising from the audit of the accounts and whether they need to be brought to the attention of the Council.

3.4.8.12.5 The Committee will consider reports on the effectiveness of financial management arrangements, including compliance with [CIPFA's Financial Management Code](#).

3.4.8.13 Other regulators and inspectors

3.4.8.13.1 The Committee will receive and consider reports from any other regulators or inspectors, which will be a useful source of assurance. In respect of these, the authority will ensure there is no unnecessary duplication between the Governance and Audit Committee and any overview and scrutiny committee in considering such reports.

3.4.8.14 Complaints Handling

3.4.8.14.1 The Committee will review and assesses the authority's ability to handle complaints effectively. To this end, it will receive the Annual Letter from the Public Services Ombudsman for Wales.

3.4.8.14.2 The Committee will make reports and recommendations in relation to the authority's ability to handle complaints effectively.

3.4.8.15 Self-assessment Report

3.4.8.15.1 Each financial year, the Committee will receive from the Executive a draft of the Council's self-assessment report [to be drafted in accordance with Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance and governance of principal councils)].

3.4.8.15.2 The Committee will receive the draft report from the Executive before the end of four weeks of the Executive making the report.

3.4.8.15.3 The Committee will review the draft report and may make recommendations for changes to the conclusions, or to anything included by the Executive by way of actions it intends taking, or it has already taken, so as to increase the extent to which it will meet the performance requirement in the financial year following the financial year to which the report relates.

3.4.8.15.4 Any recommendation made by the Committee, but not adopted by Council before publication, must be included in the report with reasons why the Council has not made the changes recommended by the Governance and Audit Committee.

3.4.8.16 Performance Panel Assessment

3.4.8.16.1 At least once during an electoral cycle a panel performance assessment will take place in the period between ordinary elections of councillors to the Council. The Council may choose to commission more than one panel assessment in an electoral cycle, but it is not a requirement of the legislation. (The Local Government and Elections (Wales) Act 2021).

3.4.8.16.2 The Council must publish a panel performance assessment report at least six months before the date of the next ordinary election.

3.4.8.16.3 The Council must make a draft of its response to the panel performance assessment available to its Governance and Audit Committee, which must then review the draft response and may make recommendations for changes to the response to the panel assessment.

3.4.8.16.4 If the Council does not make a change recommended by the Governance and Audit Committee, it must set out in the final response the recommendation and the reasons why it did not make the change.

3.4.8.17 Auditor General Special Inspection

3.4.8.17.1 If the Auditor General carries out a special inspection (as it considers the Council is not, or may not, be meeting its performance requirements, and a report is sent to Council, as soon as reasonably practicable after receiving such report, the Council must make it available to the Governance and Audit Committee.

3.4.8.17.2 Should a response be required by Council to a report published in accordance with paragraph 3.4.8.17.1 above, Council must make a draft of the response available to the Governance and Audit Committee. The Committee must review the draft response and may make recommendations for changes to the statement made in response to what action, if any, the Council intends to take in response to the recommendations made by the Auditor General.

3.4.8.17.3 Any recommendation made by the Committee, but not adopted by Council before publication, must be included in the response with reasons why the Council has not made the changes recommended by the Governance and Audit Committee.

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	27 June 2024
Subject:	Internal Audit Annual Report 2023-24
Head of Service:	Marc Jones, Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor, Head of Audit and Risk MarionPryor@anglesey.gov.wales
<p>Nature and Reason for Reporting: The Local Government (Wales) Measure 2011 mandates that the Governance and Audit Committee oversee the Council’s internal audit arrangements. The Committee’s terms of reference require it to:</p> <ul style="list-style-type: none"> • Review an annual report from the Head of Audit and Risk on internal audit performance. • Consider the evaluation of the overall adequacy and effectiveness of the Council’s governance, risk management, and control framework, and the work supporting this assessment, and to consider this when reviewing the Annual Governance Statement. • Assess the level of conformance with Public Sector Internal Audit Standards and the results of the Quality Assurance and Improvement Programme, which support the reliability of internal audit conclusions. <p>Additionally, the Public Sector Internal Audit Standards mandate that the chief audit executive produces an Internal Audit Annual Report.</p>	

1. Introduction

- 1.1. The Local Government (Wales) Measure 2011 has an explicit requirement for the Governance and Audit Committee to oversee the Council’s internal audit arrangements (3.4.8.10.1).
- 1.2. The terms of reference also require the Committee to consider an annual report from the Head of Audit and Risk on internal audit’s performance, including the performance of external providers of internal audit services (3.4.8.10.6).
- 1.3. The Committee is further required to consider the opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control together with the summary of the work supporting the opinion. These will assist the Committee in reviewing the Annual Governance Statement (3.4.8.10.7).
- 1.4. The Committee is also required to consider the statement contained in the annual report of the level of conformance with the Public Sector Internal Audit Standards and the results of the Quality Assurance and Improvement Programme that support the

statement – these will indicate the reliability of the conclusions of internal audit (3.4.8.10.8).

1.5. The Public Sector Internal Audit Standards also require the chief audit executive to produce an Internal Audit Annual Report (Standard 2450).

1.6. Therefore, this report provides the Committee with the Internal Audit Annual Report for 2023-24, which provides the Head of Audit and Risk's overall opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control during the year.

2. Recommendation

2.1. That the Committee considers and comments on the Head of Audit and Risk's annual report and overall 'opinion', in particular, to assist the Committee when reviewing the Annual Governance Statement:

- the summary of the work carried out during the year and the assurances provided.
- the overall opinion.
- the performance of the internal audit function, in particular, noting the level of conformance with the Public Sector Internal Audit Standards.

Internal Audit Annual Report 2023-24

June 2024



Marion Pryor BA MA CMIIA CPFA ACFS
Head of Audit and Risk



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Introduction

1. The Public Sector Internal Audit Standards (PSIAS) require the 'chief audit executive', in the Council's case the Head of Audit and Risk, to deliver an annual internal audit opinion that the organisation can use to inform its Annual Governance Statement¹.
2. The annual opinion includes:
 - An [opinion](#) on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes.
 - Disclosure of any [qualifications](#) to that opinion, together with the reason for the qualification.
 - Any [issues](#) the chief audit executive judges particularly relevant to the preparation of the Annual Governance Statement.
 - A [summary](#) of the audit work from which the opinion is derived, including reliance placed on other assurance bodies.
 - A summary of the [performance](#) of the internal audit function against its performance measures.
 - Commentary on [compliance](#) with the PSIAS and communicates the results of the Internal Audit quality assurance programme.
 - A [Statement of Independence](#)

¹ The Accounts and Audit (Wales) Regulations 2014 requires a review of governance arrangements to be reported within the authority, in the Council's case, the Governance and Audit Committee, and externally in the published accounts. The Annual Governance Statement (AGS) is an annual review of the systems of internal control and gathers assurance from various sources to support it. Internal Audit is a key contributor, and the Head of Audit and Risk provides a written annual report to those charged with governance to support the AGS.

Internal Audit Opinion

Head of Internal Audit Opinion 2023-24

For the 12 months ended 31 March 2024, the Isle of Anglesey County Council's Head of Audit and Risk's opinion is that the organisation has an adequate and effective framework for risk management, governance and internal control.

While I do not consider any areas of significant corporate concern, some areas require the introduction or improvement of internal controls to ensure the achievement of objectives, and these are the subject of monitoring.

There are no qualifications to this opinion.

Issues relevant to the preparation of the Annual Governance Statement

3. There are no issues which are of a significantly high risk or impact that warrant inclusion in the Annual Governance Statement.
4. During 2023-24, we have found senior management at the Council to be supportive and responsive to the issues we have raised. We have a good relationship with management; they openly share the areas where they perceive to be potential problems and take on board the results of our work as an opportunity for making improvements.
5. We have also been commissioned to undertake advisory work in the year at the request of management, which gives a strong indicator that managers are willing to engage with Internal Audit to establish good risk and control environments.

Basis of My Opinion

Scope

6. I have reached my opinion by considering the work and activities we have carried out during the year, further discussed below. The opinion does not imply that we have reviewed all risks and assurances relating to the Council. It is substantially derived from the setting of a risk-based strategy, which management have fed into, and the new Governance and Audit Committee approved in April 2023. It should provide a reasonable level of assurance, subject to the inherent limitations below.

Limitations

7. The matters raised in this report are only those that came to our attention during the course of our work and activities within the Council. They are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Neither this report, nor our work, should be taken as a substitute for management's responsibilities for the application of sound internal control practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist.

Third Line Assurance²

8. Key to being able to obtain sufficient assurance to inform the opinion was to take into account internal audit reviews of the strategic risks and other audit work, and the assurance ratings provided:

Audits of Strategic Risks

9. During 2023-24, following a comprehensive review of the Council's risks to achieving its corporate priorities, 11 (11 in 2022-23) risks were rated as having a red or amber residual risk rating and were recorded in a strategic risk register.
10. We aim to audit 80% of red and amber residual risks over a two-year cycle. We reviewed 9 (82%) (9 / 82% in 2022-23) of these over a 24-month period. ([Appendix B](#) refers).
11. We were able to provide 'Reasonable' assurance that the Council was effectively managing all of the strategic risks we reviewed.

Other audit work

12. We also reviewed other key areas of the Council's activities, including areas where the Director of Function (Resources) and Section 151 officer and Leadership Team had raised concerns ([Appendix C](#) refers).
13. Of the 14 audits (11 in 2022-23) of this type we undertook during 2023-24, we were able to provide:
 - None with 'Substantial' assurance (none in 2022-23),
 - Eight with 'Reasonable' assurance (seven in 2022-23),
 - Two 'Limited' assurance (two in 2022-23), and,
14. Three investigations and a Health Check of the Council's Risk Management arrangements, undertaken by Zurich Resilience Solutions, were not provided with assurance ratings.
15. The two limited assurance reports relate to an audit of Council Tax, NNDR and Sundry Debt Recovery. Following the original audit in September 2023, we carried out a follow up in March 2024. Though our follow up work found reasonable progress in

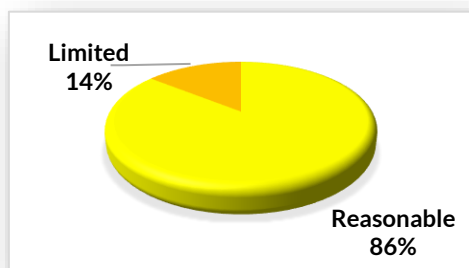
² Definitions of assurance ratings in place during 2023-24 can be found at [Appendix A](#)

addressing some of the issues/risks raised in our original review, further work was needed to implement an effective process to review and recover aged debts.

16. Therefore, we were unable to increase the assurance rating from limited at this time. We will conduct a second follow up during 2024-25.

Internal Audit Assurance ratings provided during 2023-24

17. Overall, we were able to provide 'Reasonable' assurance or above for 86% (83% in 2021-22) of the audits we undertook during 2023-24.



18. Two audits (14%) received 'Limited' assurance during the year, compared to three (17%) in 2022-23. In accordance with our protocol, we formally revisit all the 'Issues/Risks' raised in reports with a 'Limited' assurance, when they become due, to ensure they are effectively addressed.
19. No audits received 'No' assurance and no 'Critical' (red) 'issues/risks' were raised during the year.
20. Where we identified 'Issues/Risks', management accepted them all. The remaining 'Issues/Risks' were monitored via our action tracking system, 4action, discussed in further detail in the following section.

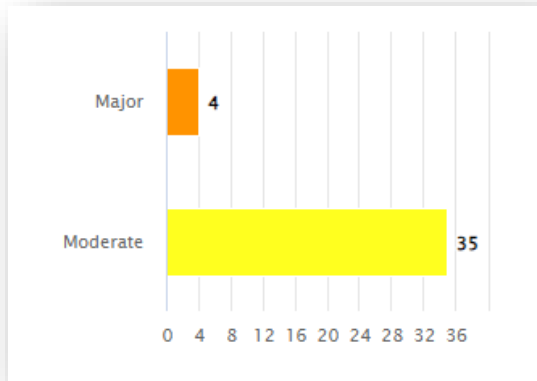
Issues / Risks Raised

21. We use the Council's action tracking system 4action to monitor the 'Issues' and 'Risks' we raise during our work. We have developed and refined a user dashboard on 4action, which displays a real-time snapshot of current performance in addressing outstanding actions and enables effective tracking and reporting of this information. We continuously monitor 'overdue' actions and so are able to obtain updates from management as to progress with addressing them.
22. In addition to this, with a productivity level of 72%, we have around 700 days of audit resource available to undertake the remaining internal audit activity, including investigations, to provide the annual assurance opinion.
23. The following graphs show the outstanding actions as at 31 March 2024.
24. It should be noted that no 'Critical' (red) issues/risks were raised during the year and there are no 'Critical' (red) 'issues/risks' currently outstanding.

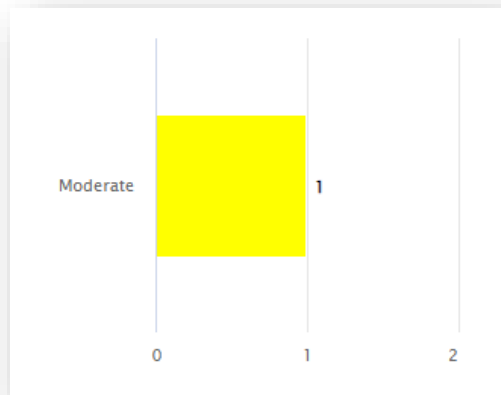
Current and Overdue Actions

25. We actively monitor all actions and pursue them with management when they become due to ensure they are addressed.
26. As at 31 March 2024, we are tracking 39 outstanding actions (49 as at 31 March 2023). Of these, four (12 in 2022-23) are assessed as 'major' (amber) and 35 (37 in 2022-23) 'moderate' (yellow) risks, as shown below.

Total Outstanding Actions



Overdue Actions



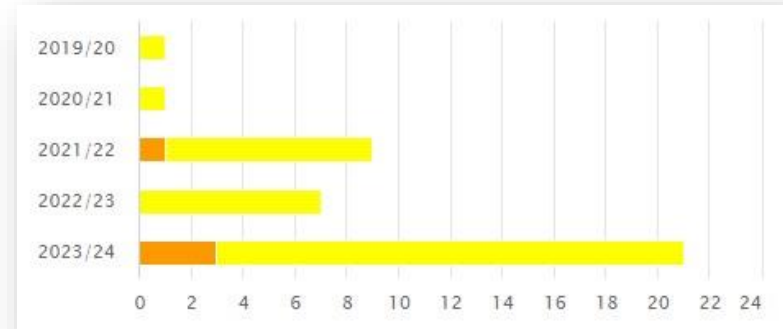
27. There is currently one action that has reached the date management was due to finish implementing it, and is now 'overdue', as shown above.

28. It is a moderate rated issue/risk. It was raised during an audit of 'Supplier Maintenance and Duplicate Payments' in May 2021 and relates to the recovery of a small number of duplicate creditor payments identified during the audit.

29. We are advised that the Trainee Accountant is working through the duplicate payments and has identified some where repayment has already been recovered via credit notes for suppliers used regularly by the Council.

30. Progress is being made with the remaining duplicates, however staffing issues within the Payments team and the prioritisation of essential services and end-of-year priorities has caused delays to this work.

Issues / Risks by Year



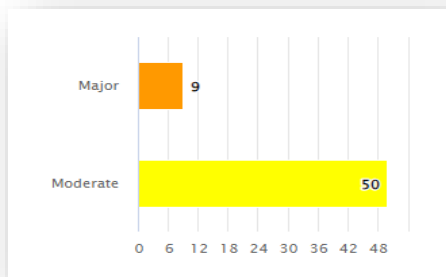
31. Of the 39 (49 in 2022-23) actions we are tracking, these were raised between 2019-20 and 2023-24.

32. While the graph above indicates the majority relate to the current and last two financial years, there are two 'issue/risks' dating back to 2019-20 and 2020-21 that management has yet to fully address.

33. These relate to finalising the Council's assurance mapping arrangements and the recovery of a small number of duplicate creditor payments (as detailed above). They are both rated as 'moderate' or 'yellow' in risk priority.
34. In relation to the former, the Council has completed the upgrade of its Risk Management system, 4Risk. As a result, work to populate the assurance map has restarted. While Internal Audit has completed its population of the third line assurances, the Risk and Insurance Manager has been working with Service Business Managers and the Performance Team to populate the first- and second-line assurances.
35. It should be noted that there are no 'major' rated issues/risks dating back further than 2021-22, with the majority relating to the current financial year. This demonstrates that management are prioritising addressing risks of higher priority.

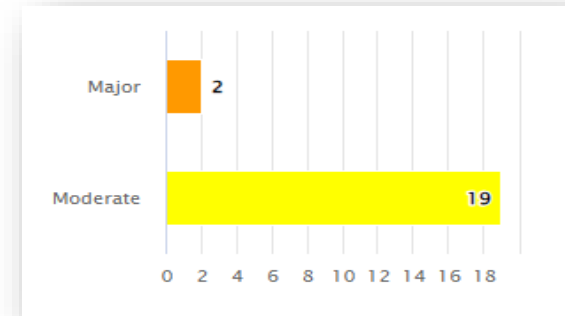
Issues / Risks Raised and Due in 2023-24

Issues / Risks raised in 2023-24



36. During 2023-24, we raised 59 (36 in 2022-23) 'issues/risks' that required management attention. Of these, we classified nine (six in 2022-23) as 'major' (amber) and 50 (30 in 2022-23) as 'moderate' (yellow).

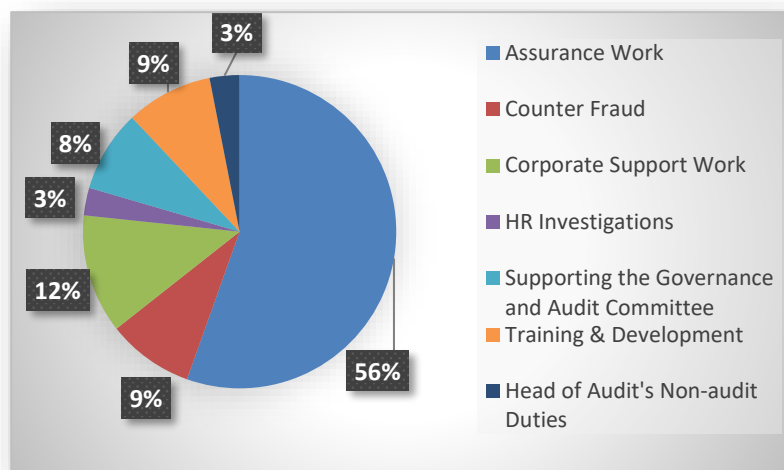
Issues / Risks raised, became due and addressed in 2023-24



37. 22 (nine in 2022-23) of the actions raised became due for completion in 2023-24 and management addressed 21 (nine in 2021-22) before 31 March 2024. This represents 95% performance in this area (100% in 2022-23).
38. The one action that was not fully addressed before the end of March is 'moderate' (yellow) in risk priority and was raised during an audit of Housing Waste Management. It relates to discrepancies in contract charges for services, leading to a potential overpayment to a supplier.
39. The service has made progress with investigating the overpayment and is in the process of liaising with the supplier to improve invoicing arrangements going forward.

Our Performance

40. When delivering the risk-based audit strategy, the Head of Audit and Risk, supported by the Leadership Team, has made every effort to make best use of available internal audit resources during the year, as follows:



Adding Value

41. Throughout the year we strived to add value wherever possible. We have continued to support managers across the Council by providing training, advice and sourcing external resources to provide assurance, such as the training and audits of the Unofficial School Funds, and IT audit.
42. We have also continued to support peers regionally, nationally across Wales, and the Northwest of England, by sharing good practice and work programmes, along with areas of emerging risk.

Performance Measures

43. We have a quality assurance and improvement programme to ensure continuous improvement of our internal audit service.
44. In April 2023, the Governance and Audit Committee agreed a number of performance targets within the Strategy for 2023-24, which can be seen below.

Performance Indicator	Target 2022-23	Actual 2022-23	Target 2023-24	Actual 2023-24
Red / Amber Residual Risks in the Strategic Risk Register audited (over a rolling 24-month period)	80%	82%	80%	82%
Audits completed within six months	85%	89%	85%	84%
Clients' responses at least 'satisfied'	100%	100%	100%	100%
Number of staff (Full Time Equivalent)	5.0 FTE	3.0 FTE	4.0 FTE	3.3 FTE
All fraud alerts received, considered, distributed.	n/a	n/a	100%	100%
Outcome of the internal (annually) and external (five-yearly) assessments of the quality assurance and improvement programme.	n/a	n/a	Generally Conforms	Generally Conforms

45. Two new measures, relating to counter fraud and the outcome of the quality assurance and improvement programme, were added during 2023-24.
46. We have performed well against most of our targets, with four out of six indicators meeting their target. Crucially, we have comfortably achieved our target of reviewing 82% of the red and amber residual risks in the Strategic Risk Register, which provides

sufficient assurance to allow the Head of Audit and Risk to provide the Annual Audit Opinion.

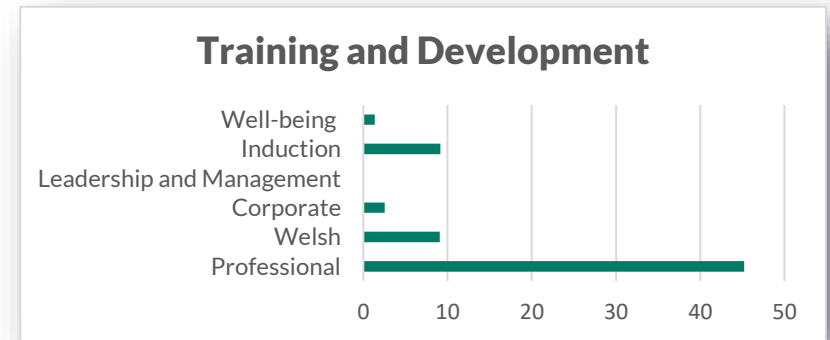
47. Two areas failed to fully achieve their target performance level; audits completed within six months and number of staff. Two audits took longer than the six-month deadline (6.3 and 6.8 months respectively) due to the protracted absence of key staff in the audited service. The completion of one audit was delayed due to a delay (8.0 months) in the service providing the information required for the audit.
48. Along with the continuing secondment to Accountancy, a Senior Auditor resigned during the year and a decision was made not to fill the vacancies and instead continue to use the budget to commission external expertise. Accordingly, the new target for 2024-25 will reflect the current staff in post.

Benchmarking

49. Normally we would benchmark our performance against the 22 members of the Welsh Chief Auditors Group. However, following concerns around the comparability of the data, the Welsh Chief Auditors Group established a working group to review the measures which are currently being piloted, with a commitment to re-starting the benchmarking exercise from 2024-25.

Training and Development

50. In total, the service invested 67 days / 9% (67 days / 10% in 2022-23) in training and development during 2023-24 consisting of the following:



51. All current members of the team are professionally qualified, with a good mix of professional qualifications, including CIPFA, CIIA³, IRRV⁴, ACFS and ACFTech⁵. The service has invested significantly to ensure they continue their professional development and stay abreast of emerging risks and developments in the sector. We are currently supporting the Senior Auditor in their studies towards the Chartered Institute of Internal Auditors professional qualification.
52. We have also participated in all the mandatory corporate training, where required.

³ The Chartered Institute of Internal Auditors (CIIA) is a professional association for internal auditors.

⁴ The Institute of Revenues Rating and Valuation (IRRV) is the professional body for local taxation, benefits and valuation.

⁵ The ACFS and ACFTech are professional counter fraud qualifications accredited by the Counter Fraud Professional Awards Board.

Conformance with the Public Sector Internal Audit Standards

External Assessment (Standard 1312)

53. The Public Sector Internal Audit Standards require internal audit services to have an external assessment which must be conducted by a qualified, independent assessor or assessment team from outside the organisation once every five years.
54. An external assessment of the Isle of Anglesey County Council Internal Audit Service was undertaken this year via peer review, by Flintshire County Council.
55. The assessment, concluded in May 2023, confirmed that “Following validation of the self-assessment by Flintshire County Council, the Internal Audit Service of the Isle of Anglesey County Council ‘Generally Conforms’ with the requirements. “Generally Conforms’ reflects the highest level of conformance following an external assessment.... Overall, the Ynys Môn County Council’s Internal Audit Service complies with the standards in all significant areas and operates independently and objectively.”

Internal Assessment (Standard 1311)

56. The Public Sector Internal Audit Standards also require internal audit services to undertake periodic assessments to evaluate ongoing conformance with the Standards and the Code of Ethics.
57. The self-assessment is undertaken annually with an action plan developed to address any areas for improvement. ([Appendix D](#) refers.)

Statement of Independence (Standard 1110)

58. Standard 1110 requires the chief audit executive to confirm, at least annually, the organisational independence of the internal audit activity.
59. The Internal Audit Charter defines how internal audit independence is established and maintained, which is submitted to the Governance and Audit Committee annually and was recently approved by the Committee on 18 April 2024.
60. Accordingly, the Head of Audit and Risk has taken no part in the undertaking and reporting of audits in areas where a conflict exists in accordance with the Internal Audit Charter.

Challenges and opportunities going forward

61. We continue to play a key role in helping the Council to ensure that its risks are identified and appropriately controlled. This is at the heart of what we do as we examine the effectiveness of the Council's controls in managing its risks.
62. However, assurance requirements are fluid and constantly evolving, meaning internal audit must keep up with the pace of change to be able to stay relevant and provide assurance on areas such as climate change, cyber security and evolving financial risks.
63. Demonstrating stewardship of public funds, building and maintaining public trust and confidence in decision making and delivering a sustainable future for taxpayers and service users are fundamental expectations of all those working within the public services. Internal audit can contribute to this complex web of expectations, obligations, ambitions and challenges by providing support in a unique and independent way.
64. Achieving this requires trained internal auditors supported by modern approaches and professional standards. It needs both capacity and capability.
65. Vacancies have created a challenge to ensuring there are sufficiently experienced auditors to complete more complex work, as well as to provide coaching and support to new members of staff.
66. However, an enthusiastic and dedicated team places internal audit in a good position to ensure delivery of its strategy and continue to support the Council as a key component of its governance structure.

Appendix A: Definition of Assurance Ratings 2023-24

Level of Assurance	Definition
Substantial Assurance	<p>Arrangements for governance, risk management and internal control are good.</p> <p>We found no significant or material Risks/Issues.</p>
Reasonable Assurance	<p>Arrangements for governance, risk management and/or internal control are reasonable.</p> <p>There are minor weaknesses in the management of risks and/or controls but there are no risks to the achievement of objectives. Management and Heads of Service can address.</p>
Limited Assurance	<p>Arrangements for governance, risk management and internal control are limited.</p> <p>There are significant weaknesses in the management of risks and/or controls that put the achievement of objectives at risk. Heads of Service need to resolve and SLT may need to be informed.</p>
No Assurance	<p>Arrangements for governance, risk management and internal control are significantly flawed.</p> <p>There are fundamental weaknesses in the management of risks and/or controls that will lead to a failure to achieve objectives. The immediate attention of SLT is required, with possible Executive intervention.</p>

Appendix B – Assurance Map (Third Line) - Red and Amber Residual Risks in the Strategic Risk Register 2023-24

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Created Date	Audit Year 2018/19	Audit Year 2019/20	Audit Year 2020/21	Audit Year 2021/22	Audit Year 2022/23	Audit Year 2023/24
YM1	The risk that a real term reduction in Council funding will lead to a reduction in statutory services	5:5 25	4:5 20	14/05/19 12/01/22		Financial Resilience (April 2020)			Financial Resilience (November 2022)	
YM2	The risk that the Council is unable to recruit, retain and develop suitable staff, or that the staffing structure is not suitable	4:5 20	4:4 16	20/06/18 12/01/22	Recruitment & Retention (March 2019)				Recruitment & Retention (June 2022)	
YM3	The risk that IT failure significantly disrupts service delivery	5:5 25	4:4 16	21/06/18 10/09/18 12/01/22	IT Audit - Cyber Security (February 2019)	IT Audit - IT Resilience (April 2020)	IT Audit - IT Resilience (Follow Up) (May 2021)	IT Audit - Software Licence Management (January 2022)	IT Audit - Cloud Computing (March 2023)	IT Supplier Management (March 2024) Draft Report
							IT Audit - IT Service Continuity (Phishing) (April 2021)		IT Audit - IT Service Continuity (Phishing) (Follow Up) (September 2022)	Corporate Access Management (Key Risks) (March 2024)
								IT Vulnerability Management (September 2022)	IT Vulnerability Management (January 2023)	

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Created Date	Audit Year 2018/19	Audit Year 2019/20	Audit Year 2020/21	Audit Year 2021/22	Audit Year 2022/23	Audit Year 2023/24
YM5	The risk of failing to implement national changes to the education system and meet the educational challenges of the future	4:5 20	4:4 16	20/06/18 12/01/22						Modernising Learning Communities Programme (August 2023)
YM7	The risk that the Council is not resilient enough to be able to provide services in light of external changes	4:4 16	3:4 12	20/06/18 12/01/22		Managing the Risks of Brexit (January 2020) Business Continuity (February 2020)	Review of COVID-19 Emergency Response (April 2020)	COVID-19 Emergency Management Assurance (May 2021)		Organisational Resilience (November 2023)
YM9	The risk of a lack of suitable housing that local residents can afford in their communities	4:5 20	4:5 20	12/01/22					The Council's arrangements for the provision of suitable housing (June 2022)	
YM10	The risk that a serious safeguarding error leads or contributes to serious harm to the vulnerable individuals the Council is responsible for	5:4 20	4:2 8	20/06/18 12/01/22	Deprivation of Liberty Safeguards (June 2018)		Corporate Parenting Panel (January 2021)		Audit commenced March 2023 and rolled forward to 2023-24	Managing Strategic Risk - Safeguarding (YM10) (January 2024)
YM11	The risk that an increase in poverty increases demand on Council services	4:5 20	4:5 20	18/08/20 12/01/22	Welfare Reform (April 2019)				Poverty (March 2023)	

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Created Date	Audit Year 2018/19	Audit Year 2019/20	Audit Year 2020/21	Audit Year 2021/22	Audit Year 2022/23	Audit Year 2023/24
YM13	The risk that climate change affects the Island and that the Council is not a net zero organisation by 2030	4:4 16	4:3 12	12/01/22					Climate Change Health Check (ZM) (September 2022)	
YM14	The risk that the Council's physical assets will not be suitable or meet the future needs of residents, businesses and visitors	5:5 25	4:4 16	12/01/22				Investment In Assets (November 2021)		Asset Management (WIP)
YM16	The risk that the Council is unable to manage change effectively which limits its ability to modernise and deliver sustainable, effective and efficient services	4:5 20	3:4 12	11/07/23 02/01/24						

Appendix C: Third Line Assurance – Other Internal Audit Work in 2023-24

Title of Audit	Date of Final Report	Assurance Level	Critical	Major	Moderate
IT Service Continuity (Phishing) (second follow up)	May 2023	Reasonable	0	0	0
Fuel Cards	June 2023	Reasonable	0	0	6
IT Software Licence Management (first follow up)	June 2023	Reasonable	0	1	1
North Anglesey Regeneration Grant (Investigation)	August 2023	n/a	n/a	n/a	n/a
Council Tax, NNDR and Sundry Debt Recovery	September 2023	Limited	0	3	5
Managing the Risk of Housing Tenancy Fraud	September 2023	Reasonable	0	1	4
Local Government Pension Scheme	November 2023	Reasonable	0	0	2
Grass Cutting Contract Overpayment (Investigation)	November 2023	n/a	n/a	n/a	n/a
Teachers' Pensions (first follow up)	November 2023	Reasonable	0	1	1
Payroll Starters	January 2024	Reasonable	0	0	4
Housing Waste Management (Investigation)	January 2024	n/a	0	0	1
Risk Management Health Check (Zurich)	January 2024	n/a	0	0	0
Galw Gofal (Partnership Governance Arrangements) (first follow up)	March 2024	Reasonable	0	0	1
Council Tax, NNDR and Sundry Debt Recovery (first follow up)	March 2024	Limited	0	3	4
		14	0	9	29

Appendix D: Public Sector Internal Audit Standards Annual Self-assessment Action Plan

Ref No.	PSIAS Standards and IPPF	Improvement Area	Responsible Officer	Progress Update – 2023-24
1.	1311 – Internal Assessments	<p>PSIAS Standard 1311 requires internal assessments to be carried out as part of the Quality Assurance and Improvement Programme (QAIP) which includes:</p> <ul style="list-style-type: none"> Ongoing monitoring of the performance of the internal activity. Periodic self-assessment or assessments by other persons within the organisation with sufficient knowledge of internal audit practices. <p>Whilst monitoring of the performance of the internal audit activity takes place, periodic self-assessments should be formally evidenced using the PSIAS self-assessment template. The results of the self-assessment should be reported to the Governance & Audit Committee alongside any action plans to address identified areas for improvement.</p>	Head of Audit and Risk	<p>Addressed</p> <p>A self-assessment exercise was undertaken during 2023-24 using the PSIAS self-assessment template. The results and improvement areas are reported to the Governance and Audit Committee as part of this report.</p>
2.	1000 - Purpose, Authority and Responsibility	<p>The PSIAS self-assessment template confirms the requirement for the Internal Audit Charter to define the term 'Board', stating "it is expected that the audit committee will fulfil the role of the board in the majority of instances".</p> <p>Whilst the Head of Audit & Risk (HA&R) has a functional reporting line to the Governance & Audit Committee, the Internal Audit Charter currently defines the 'Board' as the 'Executive.' Internal Audit Charter therefore to be updated to reflect the functional reporting line, with the 'Board' i.e. the Governance and Audit Committee.</p>	Head of Audit and Risk	<p>Addressed</p> <p>The IA Charter has been updated to define the 'Board' as the Governance and Audit Committee. It was approved by the Committee at its meeting on 18 April 2024.</p>
3.	1111 - Direct Interaction with the Board	<p>The Governance and Audit Committee terms of reference refer to scope for an annual private meeting between the HA&R and the Governance & Audit Committee, however these private sessions do not currently take place.</p> <p>Whilst this is not a requirement of PSIAS and is not referred to in the LGAN, the IPPF Implementation Guide for Standard 1111 suggests an annual private meeting is held between the Governance & Audit Committee and the Chief Audit Executive (CAE) without Senior Management present. This would provide an opportunity to communicate sensitive matters or issues facing the internal audit function or the organisation. Discussion with the Chair of the Governance and Audit Committee as part of the external assessment process indicated there is appetite for an annual private meeting.</p>	Head of Audit and Risk	<p>Addressed</p> <p>A private meeting between internal and external audit, and the Governance and Audit Committee, without officers present, took place following the meeting of 18 April 2024. Provision for this meeting to be conducted annually was agreed.</p>

Ref No.	PSIAS Standards and IPPF	Improvement Area	Responsible Officer	Progress Update - 2023-24
4.	1110 – Organisational Independence	<p>PSIAS Standard 1110 requires the CAE to confirm to the Board, at least annually, the organisational independence of the internal audit activity.</p> <p>Whilst the Internal Audit Charter defines how internal audit independence is established and maintained, there is also a requirement for the CAE to confirm organisational independence to the board, at least annually. Whilst PSIAS and the LGAN do not specifically state that this should be confirmed in the internal audit annual report, this would be best practice and consistent with the way in which other local authorities provide confirmation of their organisational independence.</p>	Head of Audit and Risk	<p>Addressed</p> <p>Statement of Independence included in the Annual Internal Audit Report 2022-23 and 2023-24.</p>
5.	2050 - Coordination and Reliance	<p>PSIAS Standard 2050 confirms the requirement for the risk-based plan to include an adequately developed approach to using other sources of assurance and any work that may be required to place reliance upon those sources.</p> <p>Whilst current processes for developing the risk based internal audit plan comply with PSIAS, the completion of an assurance map would ensure greater visibility of any assurance gaps or any areas of over assurance.</p> <p>An assurance map is being developed. Internal Audit has populated the third line assurance, and the assurance map is currently with the Performance Team to allow the first- and second-line assurances to be populated.</p>	Head of Audit and Risk / Risk and Insurance Manager / Service Business Managers	<p>On-going</p> <p>The recent upgrade of the 4Risk system is complete. The Risk and Insurance Manager has met with Business Managers to advise on adding assurances. Work is therefore ongoing to add / embed first- and second-line assurance entry. Internal Audit is currently monitoring this.</p>

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee / County Council
Date:	27 June 2024 / 26 September 2024
Subject:	Annual Report of the Governance & Audit Committee 2023-24 – Chair’s Report
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
<p>Nature and Reason for Reporting:</p> <p>The Governance and Audit Committee’s terms of reference require the Committee to report to full council (‘those charged with governance’) on an annual basis the Committee’s findings, conclusions and recommendations concerning the adequacy and effectiveness of the Council’s governance, risk management and internal control frameworks; financial reporting arrangements, complaints handling and internal and external audit functions. (3.4.8.3.1)</p> <p>The Committee is also required to report the effectiveness of the Committee in meeting its purpose and its agreed terms of reference, including a conclusion on the compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement¹. (3.4.8.3.2)</p> <p>This report fulfils these requirements and is a key output of the Committee.</p>	

1. Introduction

- 1.1. A dedicated, effective Governance and Audit Committee is a key component of the Council’s governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management and to provide ‘those charged with governance’ independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. It is also key to supporting effective internal and external audit.
- 1.2. The CIPFA guidance supporting its Position Statement states that the Committee should prepare an annual report that provides assurance to all those charged with governance that it fulfils its purpose and can demonstrate its impact. The report should be publicly available, supporting the authority’s accountability to wider stakeholders, including the public.

2. Recommendation

- 2.1. That the Governance and Audit Committee endorses the Annual Report of the Governance and Audit Committee for 2023-24 prior to its submission to the meeting of the County Council on 26 September 2024.

¹ The Chartered Institute of Public Finance and Accountancy’s [Position Statement: Audit Committees in Local Authorities and Police \(2022\)](#) sets out CIPFA’s view of the role and functions of an audit committee.

Annual Report of the Governance and Audit Committee 2023-24

June 2024



Chair's Report

Marion Pryor BA MA CMIIA CPFA ACFS

Head of Audit and Risk



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Introduction

1. The Governance and Audit Committee is a key component of the Council's governance framework. Its function is to provide an independent and high-level resource to support good governance and strong public financial management (3.4.8.1.1).
2. Its purpose is to provide full Council ('those charged with governance') independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes (3.4.8.1.2).
3. To discharge their responsibilities effectively, the Chartered Institute of Finance and Accountancy's (CIPFA) guidance¹ states that the audit committee should report annually on its work to 'those charged with governance', to provide assurance that it fulfils its purpose, has discharged its responsibilities and can demonstrate its impact.
4. This report meets that requirement by assessing the Committee's activities during 2023-24 against its terms of reference, incorporated within the Council's [Constitution](#)², version 2.85 updated on 1 February 2024.

¹ CIPFA's [Position Statement: Audit Committees in Local Authorities and Police \(2022\)](#) and associated guidance sets out CIPFA's view of the role and functions of an audit committee.

² The relevant sections of the Constitution are referenced in brackets.

Composition and arrangements

5. In accordance with its terms of reference, during the year the Committee consisted of eight elected members and four lay members. Councillor Dafydd Roberts left the Committee to join the Executive in June 2023 and was replaced by Councillor Ieuan Williams. Also in June 2023, Councillor Trefor Lloyd Hughes joined the Committee to fill a previously vacant seat (3.4.8.2.2).
6. The Finance Portfolio Holder is required, as far as possible, to attend all meetings of the Committee (3.4.8.2.2) and attended six out of the seven meetings of the Committee during 2023-24 (Appendix A).
7. As required by the Local Government and Elections (Wales) Act 2021, the Chair of the Governance and Audit Committee was a lay member and, therefore, not an elected Councillor or a member of a group that formed part of the Council's Executive (3.4.8.2.3).
8. Throughout the year, the Committee conducted its business non-politically and abided by the rules of political balance (3.4.8.2.1). All members declared interests where appropriate (3.4.8.2.2).
9. During the year, where officers were called to attend a committee meeting at the request of the Governance and Audit Committee members, they all did so (3.4.8.2.4).
10. The Committee is required to meet a minimum of four times per year (3.4.8.2.5). The Committee met formally (hybrid meetings) on seven occasions, which included two special meetings to elect the Chair and Deputy Chair and to consider only the draft Statement of Accounts 2022-23, the draft Annual Governance Statement 2022-23 and the report of External Audit on its detailed audit plan for 2022-23. The attendance at meetings during 2023-24 has been good (Appendix A).
11. Where necessary, the Director of Function (Resources) and Section 151 Officer has provided advice to the Committee and has had direct and unfettered access to the Committee (3.4.8.2.6).
12. Neither the external nor the internal auditors requested the Chair to consider any matter that the auditors believed should be brought to the attention of the Council (3.4.8.2.8).
13. Existing members received ongoing training (Appendix B), and where necessary briefings on new legislation, professional guidance, and research (3.4.8.2.9).
14. The Committee's terms of reference include all the core functions of the Committee. However, a CIPFA review of the Committee's terms of reference against the suggested terms of reference in its guidance highlighted that there were explicit references to the majority of the expected areas and implied references to most of the remaining areas. A few details were missing (in relation to the accounts) and in a few other cases extra details around risk activities may restrict the scope of the committee's work if applied literally. Some clauses overlapped each other, which could result in confusion. CIPFA also noted six annual reports that came to the Committee that were not explicitly included on the terms of reference. Accordingly, revised terms of reference were developed for the Committee's consideration in June 2024.

Accountability arrangements

15. The Governance and Audit Committee reports to full Council (*those charged with governance*) and there is clear separation between its role and that of scrutiny committees. The Governance and Audit Committee role seeks assurance that internal control systems of the Council are working, and risks are effectively managed, rather than the actual scrutiny of activities (3.4.8.1.3).
16. This report fulfils the requirement to report to full Council (*those charged with governance*) annually the Governance and Audit Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of the Council's governance, risk management and internal control frameworks, financial reporting arrangements, and internal and external audit functions (3.4.8.3.1). It also fulfils the requirement to report on the effectiveness of the Committee in meeting its purpose and agreed terms of reference.
17. The Chartered Institute of Public Finance and Accountancy (CIPFA) was commissioned to facilitate a self-assessment review of the Committee during 2023-24. This fulfilled the requirements of CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022 which recommends that audit committees evaluate their impact and identify areas for improvement.
18. The review obtained feedback on the Committee's performance with those interacting with the Committee or relying on its work, including senior management, to evaluate whether and how the Committee is adding value to the organisation.
19. The outcome of this review was reported to the Committee at its meeting in April 2024, and the proposed actions to address the 10 recommendations made were approved by the Committee. Progress with addressing the recommendations will be monitored by the Committee at each meeting going forward. (3.4.8.3.2).
20. The Committee considered its business in public, with the exception of, where appropriate, when it met in private to consider items under Section 100 (A) (4) of the Local Government Act 1972³.
21. During 2023-24, the Committee considered one item in private:
 - Annual Cyber Security Report 2023-24 (February and April 2024)
22. The appropriate Public Interest Tests were presented to, and accepted by, the Committee.
23. Agendas and reports were published in accordance with statutory timeframes and were available for inspection (3.4.8.3.3).
24. During the year, the Committee where appropriate, escalated key issues to the leadership team, such as a request for it to review the customer services training provision for public facing staff, in response to the Annual Concerns, Complaints and Whistleblowing report 2022-23, in September 2023.
25. No issues were escalated to any other committee during the year.

³ Items under Schedule 12A, Paragraph 14: Information relating to the financial or business affairs of any particular person (including the authority holding that information) and Paragraph 18: Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

Governance

26. The Committee reviewed and assessed the Council's corporate governance arrangements during its review of the draft Annual Governance Statement (AGS), which it discussed at its meeting in July 2023 (3.4.8.4.2). The discussion covered several factors including assessment definitions and what these mean in terms of the Council's ability to fulfil its statutory duties, potential enhancements to the corporate scorecard framework and oversight and scrutiny of delivery of the Council's Capital projects. The Committee resolved to approve the draft AGS that would form part of the 2022-23 Statement of Accounts.
27. The Committee received the final version of the AGS in December 2023 and resolved to endorse it for the financial year 2022-23 and to refer the Statement to the full Council for approval and to the Leader of the Council and the Chief Executive for their signatures (3.4.8.6.2).
28. The Governance and Audit Committee's Terms of Reference require it to review the governance and assurance arrangements available for significant partnerships or collaborations (3.4.8.4.6) and review the assurance available for managing partnership risks, including the risk profile of the Council as part of the partnership (3.4.8.8.1).
29. A report about significant partnerships was not available during 2023-24. In the absence of an annual report being available from the Partnership and Regeneration Scrutiny Committee, Internal Audit agreed to undertake a piece of work to provide the Committee with this assurance during 2023-24. At the time of writing, this audit is in progress.

Treasury management

30. Full Council has nominated the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies (3.4.8.5.1). Accordingly, the Committee undertakes a scrutiny role in accordance with the CIPFA Treasury Management Code of Practice, prior to approval by full Council (3.4.8.5.2).
31. The Committee reviewed the Annual Treasury Management Report 2022-23 at its meeting in September 2023, which provided an overview of the Council's borrowing and investment activities during the year and highlighted performance against the Prudential Indicators set by the Council.
32. In considering the report, the Committee raised points including capital expenditure and the underspend on the capital budget, reporting on progress of capital projects and complexity of financial reporting requirements and the impact this has on the public's understanding of how the Council spends its money. The Committee resolved to accept the report and to forward to the next meeting of the Executive without further comment (3.4.8.5.1/2/3/4).
33. The Committee considered the mid-year review of treasury management activities and position at its meeting in February 2024. Following discussions around changes to the Council's investment strategy in respect of lending and borrowing between local authorities and debt re-scheduling, the Committee resolved to note and accept the mid-year review without further comment. (3.4.8.5.1/2/3/4).
34. The Committee considered the Treasury Management Strategy Statement for 2024-25 during the same meeting. The document incorporated the Annual Investment Strategy, the Annual Minimum Revenue Provision Policy Statement and the Treasury Management Policy Statement (3.8.4.5.1/4).

35. Following discussions around the impact on the Council's finances of unforeseen events such as the Reinforced Autoclaved Aerated Concrete (RAAC) issues in schools, the reduction in the total balance of investment by £10m between September and December 2023 and the impact of increased capital borrowing on the Council's revenue budget, the Committee resolved to accept and note the Treasury Management Strategy for 2024-25 and to forward to the Executive without further comment.

Value for money

36. The Committee supports the development of robust arrangements to ensure that the Council makes best use of its resources, and taxpayers and service users receive excellent value for money (3.4.8.6.1).
37. It reviewed the Council's overall approach to value for money when reviewing the Council's draft Annual Governance Statement (3.4.8.6.2) at its meeting in July 2023.
38. The Committee considered Audit Wales's Annual Audit Summary 2023, and assurances and assessments on the effectiveness of the Council's arrangements for securing value for money (3.4.8.6.3) at its meeting in April 2024. The report informed the Committee that Audit Wales had completed work during 2022-23 to meet the Auditor General's duty to examine whether the Council had put in place arrangements to get value for money for the resources it uses. To meet this duty, Audit Wales had completed specific projects, and they relied on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate).
39. In assessing whether the Council had put in place arrangements to secure value for money, Audit Wales cited its work on the 2022-23 financial statements, in which the Auditor General had been able to give an unqualified true and fair opinion on the Council's financial statements.
40. The Auditor General also certified that the Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Authority, and with the Auditor's knowledge of the Authority.

41. In terms how the Council uses performance information, the Auditor General highlighted weaknesses in the process for providing this to senior leaders to enable them to understand the service user perspective and the outcomes of the Council's activities.
42. The Committee resolved to note the Auditor General's Annual Audit Summary 2023 and assessment of whether the Council had put in place arrangements to secure value for money.

Assurance framework

43. Having an overview of the Council's assurance framework supports the Committee in its approval of the internal audit risk-based strategy. It also helps to ensure clarity of what assurance is provided, and that there is a clear allocation of responsibility for providing assurance and duplication is avoided (3.4.8.7.1/2).
44. In addition to assurances about risk management, internal and external audit, and the Annual Governance Statement, the Committee received reports from first- and second-line assurance providers, as follows. (3.4.8.7.1).
45. The Committee received an update from the Climate Change Manager and the Programme, Business Planning and Performance Manager at its meeting in June 2023, outlining progress towards achieving the Council's net zero target, following earlier reports from both Audit Wales and Zurich Risk Engineering on climate change approach in the public sector and within the Council.
46. Discussion ensued around meaningful use of carbon emissions data relating to buildings such as schools, the impact of energy efficient measures e.g. solar panels on energy consumption and how to measure the effectiveness of new 'net-zero' buildings.
47. On noting the assurance provided, the Committee requested that it receive an annual update on progress towards net-zero so that members can be shown the positive effects of the investments and developments made in that time.
48. The Committee considered the Annual Insurance Report 2022-23, which outlined the Council's insurance arrangements and recent loss histories for the principal areas of insured risk, also in June 2023. Following discussions around claim trends and complexity as well as contract arrangements with the Council's insurer, Zurich Municipal, the Committee resolved to note the contents of the report.

49. The Committee received the Schools' Data Protection Officer's report regarding the key information governance issues in relation to Anglesey's schools for the period February 2023 to November 2023, at its meeting in December 2023. Discussion centred on the arrangements in place to monitor adoption and evidence compliance with key data protection policies of all schools.
50. Members of the Committee queried their roles as school governors in asking questions of schools to ensure they are complying with data protection legislation and evidencing this, as well as whether some of the key dates for schools to action tasks in the Schools Data Protection Strategy were attainable. Following assurances on the matters discussed, the Committee resolved to accept the report and to endorse the Schools' Data Protection Officer's proposed next steps to enable schools to fully operate in accordance with data protection requirements.
51. The Annual Report of the Senior Information Risk Owner (SIRO) 2022-23 was considered by the Committee in February 2024 and provided the SIRO's statement and overview of the Council's compliance with legal requirements and relevant codes of practice in handling corporate information. Following discussions on Freedom of Information (FOI) response performance, arrangements for responding to CCTV footage requests and the emerging use of drone technology, the Committee resolved to accept the report.
52. The Committee considered the report of the Director of Education, Skills and Young People on the outcome of the Information Commissioner's Office (ICO) Investigation into the Cyber Incident in 2021 at the Council's Secondary Schools, at the same meeting.
53. The Committee engaged in discussions on a range of issues including data protection training in schools, security updates for school-based IT systems, timescales between reporting the incident to the ICO and receiving the outcome of their work, as well as audit coverage of IT vulnerability and patch management. It resolved to accept the report and note the actions identified and completed following the incident to address the technical and information governance weaknesses identified (3.4.8.13.1).
54. The Committee also received the Principal Health and Safety Officer's Annual Corporate Health and Safety Report 2022-23. Discussion centred on issues such as emerging trends in reported incidents to date in 2023-24, comparisons with pre-Covid data for reported and reportable incidents, availability of data of slips and trip incidents within Authority-run residential care homes and any correlations between an increase in health and safety incidents and insurance claims against the Council. The Committee resolved to accept the report and endorsed the recommendation that the Council should follow the strategic plan for the management of Health and Safety and implement the Corporate Health and Safety Action Plan.
55. The Committee received the Annual ICT Cyber Security report 2023-24, in February and again in April 2024 (as a result of issues experienced by some members in accessing the report in February). The report set out the common cyber threats facing the Council and outlined the mitigating and operational controls that were in place to detect and prevent malicious activity.
56. The Committee discussed future enhancements to the current report e.g. inclusion of any instances of successful penetrations against the Council's cyber defences and how these were dealt with, the role of software owners in providing cyber alert mechanisms and the implications of the growth of Artificial Intelligence. The Committee resolved to accept the report and to note its contents.

Risk management

57. The Governance and Audit Committee has overseen the development and operation of risk management in the Council (3.4.8.8.1) during the year.
58. The Committee received an update on the Council's Strategic Risk Register, which had been reviewed by the Leadership Team to ensure it reflected the Council's risk environment taking account of the new Council Plan 2023-28 and its strategic objectives, at its meeting in December 2023.
59. Discussions focussed on specific key red/critical residual risks as well as existing and potential mitigation measures, including IT failure and greater use of Cloud services and the retention of financial reserves to strengthen financial resilience. The Committee also considered the number of risks where the residual risk after mitigation remained red or critical and the Council's approach to managing this.
60. The Committee resolved to note the amendments made to the Strategic Risk Register and took assurance that the Leadership Team has recognised and is managing the risks to the achievement of the Council's priorities.
61. The Committee considered a report presenting the outcome of the Risk Management Health Check, undertaken by Zurich Resilience Solutions, at its meeting in February 2024. The Committee discussed the Council's current risk maturity rating and ways in which to improve this, including evidencing a consistent approach to risk across all service areas and greater consideration of risk appetite in decision making and project management. The Committee resolved to take assurance from the report that risk management is being effectively developed and operated within the Council and support the actions proposed to address the recommendations made.

Countering fraud and corruption

62. The Committee considered the Head of Audit and Risk's Annual Counter Fraud, Bribery and Corruption report for 2022-23 (3.4.8.9.4) at its meeting in December 2023, detailing Internal Audit's efforts to mitigate fraud risks within the Council. The report highlighted activities to combat fraud, including 28 days spent on counter-fraud work, such as the National Fraud Initiative and various fraud investigations. The report emphasised the importance of minimising fraud risks, especially under financial pressures.
63. As part of this report, the Head of Audit and Risk confirmed to the Committee current compliance rates (95%) for staff knowledge and understanding of the Whistleblowing Policy and Guidance (3.4.8.9.1).
64. Discussion ensued around raising awareness of fraud through robust policies, existing internal controls to prevent fraud occurring as well as specific fraud risk areas such Disabled Facilities Grants and avoidance of second homes Council Tax premium. The Committee resolved to accept the report and to note its contents.
65. The Head of Audit and Risk reported progress in implementing the 2022-25 Counter Fraud Strategy, with an ongoing Action Plan ensuring continued success. A forthcoming Council-wide fraud risk assessment aims to better identify potential fraud and target resources effectively.

66. During discussions, the Committee raised concerns about everyday fraud prevention, such as mandate fraud, second homes premium payment avoidance, and Disabled Facilities Grants fraud. Controls include due diligence checks, verifying contact details, and incorporating identity authentication in software. Specific fraud prevention measures include verifying lifestyle information for second homes and ensuring proper use of Disabled Facilities Grants.
67. The Committee was assured that Internal Audit's reviews, and the Counter Fraud Working Group would enhance fraud awareness and preventive measures across the Council.
68. At the same meeting, the Committee considered the National Fraud Initiative (NFI) Outcomes Report 2022-23. In considering the report, the Committee discussed apparent distortions in NFI outcomes for 'income lost by the Council' in respect of Blue Badge fraud/errors, service level challenges associated with the Council not being informed of deaths that occur outside its boundary and the implications of Council Tax relief fraud and non-collection on Council finances. The Committee resolved to accept and note the assurances provided by the report. (3.4.8.9.3)

Internal Audit

69. The Governance and Audit Committee has overseen the Council's internal audit arrangements (3.4.8.10.1). By reviewing the Internal Audit Strategy, the Internal Audit Annual Report and the Internal Audit Charter, and regular updates from the Head of Audit and Risk, the Committee has overseen internal audit's independence, objectivity, performance and professionalism, supported the effectiveness of the internal audit process and promoted the effective use of internal audit within the Council's assurance framework (3.4.8.10.2).
70. The Committee considered the Annual Internal Audit Report 2022-23, including the Head of Audit and Risk's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control, together with the summary of the work supporting the opinion, at its meeting in June 2023 (3.4.8.10.6/7/8/9/12/14/15). The Head of Audit and Risk confirmed that it was her opinion as the 'chief audit executive' for the Isle of Anglesey County Council, that, for the 12 months ended 31 March 2023, the organisation had an adequate and effective framework for risk management, governance and internal control.
71. Following discussion on a range of areas, including resourcing of internal audit, a long-standing outstanding issue/risk, risk based internal audit strategy and the Council's corporate self-assessment process, the Committee noted the report.
72. The Committee received a report presenting the outcome of an External Quality Assessment of Conformance with the Public Sector Internal Audit Standards (PSIAS) undertaken via peer review by Flintshire County Council, also at its meeting in June 2023 (3.4.8.10.14). The Committee noted the 'generally conforms' assessment which reflects the highest level of conformance following an external PSIAS assessment and accepted the report.

73. The Committee reviewed and approved the Internal Audit Charter, which defines the internal audit's activity, purpose, authority, and responsibility, in April 2024 (3.4.8.10.3).
74. The Committee resolved to approve the continued appropriateness of the Internal Audit Charter and noted the safeguards put in place to limit impairments to independence and objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Audit and Risk (3.4.8.10.13).
75. At the same meeting, the Committee received the Internal Audit Strategy 2024-25 (3.4.8.10.1/2/5/6). Following discussion around capacity, recruitment arrangements and succession planning within the Internal Audit Service, the balance between in-house and third-party resources and the role of Internal Audit in service transformation projects, the Committee resolved to approve the Internal Audit Strategy for 2024-25 and to endorse the approach and priorities outlined as fulfilling the Council's assurance needs.
76. Throughout the year, the Committee received updates on the work of internal audit including key findings, issues of concern, management responses and action in hand as a result of internal audit work (June, September, December 2023 and February and April 2024). The Committee considered summaries of specific internal audit reports as requested, including full copies of Limited Assurance reports, along with the action plan agreed with management (3.4.8.10.10).
77. The Committee monitored the implementation of agreed actions through the receipt of two reports, in September 2023 and April 2024 respectively (3.4.8.10.10/11). The Committee considered the Council's performance and the status of all outstanding actions raised by internal audit, including detailed summaries of progress with addressing 'major/amber' rated issues/risks.
78. The Committee and the Head of Audit and Risk engage effectively (3.4.8.10.16). In particular, the Chair of the Governance and Audit Committee made himself available for the Head of Audit and Risk at all times, including providing the opportunity for a private meeting with the Committee, if requested (3.4.8.10.17).

External Audit

79. The Committee oversees the external audit arrangements and considers the scope and depth of external audit work. The Committee received Audit Wales's Outline Audit Plan for 2023, which set out the Auditor's statutory responsibilities, details of the audit team and the audit timeline as well as a summary of the key changes to the ISA315 and potential impact of this on the Council, in June 2023 (3.4.8.11.3).
80. The Committee then considered Audit Wales's detailed Audit Plan 2023, which outlined the work proposed to be undertaken in relation to the financial audit, the performance audit programme for the year, along with the programme of grant certification work and audit reporting timetable, at its meeting in July 2023 (3.4.8.11.1/3).
81. The Committee considered the external auditor's annual letter and ISA 260 report to 'those charged with governance' (3.4.8.11.1/2), at its meeting in December 2023. Following discussions around a note to the accounts relating to RAAC issues in two of the Council's schools; the auditors work to identify potential fraud in financial statements, including clarification that no evidence of fraud was found during the audit; as well as minor adjustments to the draft accounts and the challenging financial landscape for 2024-25 and beyond, it was resolved to note the external auditor's report for its audit of the 2022-23 Financial Statements.
82. The Committee resolved to note Audit Wales's Annual Audit Summary report for 2023, which showed a summary of the outcome of each piece of work completed, at its meeting in April 2024.
83. The Committee received quarterly updates during the year (in June, September, December 2023 and April 2024) and external audit reports, including the audit of Development Control and Planning Enforcement (September 2023); the Council's Digital Strategy (February 2024); and an assessment of its Use of Performance Information (February 2024).
84. The Committee monitored the implementation of external audit recommendations and received a report from the Head of Profession (HR) and Transformation in April 2024, setting out how the Council had responded to external audit reports regarding the Council and national reviews, and their related recommendations (3.4.8.11.3).
85. The Committee was not compelled to make any recommendations on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies during the year (3.4.8.11.4).
86. The Governance and Audit Committee met privately and separately with external and internal audit without officers present, following its meeting in April 2024. (3.4.8.11.5).

Financial reporting

87. The Committee reviews and scrutinises the Council's financial affairs, making reports and recommendations in relation to them (3.4.8.12.1).
88. Prior to approval by full Council, the Committee reviewed the Authority's draft and final annual financial statements for 2022-23 (July and December 2023 respectively), including the explanatory foreword, key messages, trends, consistency with financial performance, suitability of and compliance with accounting policies and treatments and major judgmental areas (3.4.8.12.2).
89. In considering the draft financial statements in July 2023, the Committee discussed several factors, including significant changes or trends when compared with previous years accounts, increases in asset valuations and the basis for the increase, the impact of interest rate rises on both borrowing and investment returns, as well as inflationary cost increases being a challenge and the impact of this on services going forward.
90. Following further discussion on the pension liability and its impact on the accounts, as well as the accounting treatment of capital expenditure for non-Council owned assets e.g. Disabled Facilities Grants, the Committee resolved to note the draft unaudited main financial statements for 2022-23.
91. The Committee considered the external auditor's report to 'those charged with governance' on issues arising from the audit of the accounts, and whether they needed to be brought to the attention of the Council (3.4.8.12.3) at its meeting in December 2023. Following discussion (see External Audit above), the Committee resolved to note External Audit's Report on the Financial Statements for 2022-23.

Complaints handling

92. The Committee has responsibility for reviewing and assessing the Authority's ability to handle complaints effectively (3.4.8.14.1).
93. The Committee considered the Director of Function (Council Business)/Monitoring Officer's Annual Concerns and Complaints report for 2022-23 which set out issues arising under the Council's Concerns and Complaints Policy for the period 1 April 2022 to 31 March 2023, at its meeting in September 2023.
94. Discussion ensued around the Council's performance in complaints handling and the Director of Function (Council Business)/Monitoring Officer advised that following analysis of complaints data, customer service training would be undertaken across the organisation focussing initially on services subject to higher levels of complaints/concerns. Following further discussions with the Head of Housing Services and the Head of Regulation and Economic Development whose specific service areas had experienced an increase in complaints during the period; the Committee resolved to accept the report.
95. The Committee received the Public Services Ombudsman for Wales (PSOW) Annual Letter 2022-23. The document outlined the complaints standards work undertaken by the PSOW over a 12-month period as well as a summary of the Council's performance in this area (3.4.8.13.1).
96. Following discussion, the Committee resolved to note and accept the Annual Letter 2022-23 and authorised the Director of Function (Council Business)/Monitoring Officer to confirm to the PSOW that the Committee has given formal consideration to the Annual Letter and to provide reassurance that the Council will continue to monitor complaints and, thereby, provide Members with the information required to scrutinise the Council's performance (3.4.8.14.2).

Self-assessment report

97. Each financial year, the Committee receives from Council a draft of its self-assessment report [drafted in accordance with Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance and governance of principal councils)] (3.4.8.15.1).
98. The Committee considered the draft Annual Self-Assessment Report 2022-23, which provided an evidence-based assessment of how the Council performed in 2022-23 using its available resources whilst managing and mitigating associated risks, at its meeting in June 2023. (3.4.8.1.4).
99. In reviewing the report, the Committee made several comments and suggestions, including providing examples to support assertions about performance, including annual comparative information to highlight trends in performance, as well as quantitative information to aid understanding, and ensuring correlation between areas assessed as 'adequate' and proposed improvement actions. (3.4.8.4.4).
100. The Committee resolved to agree the contents of the self-assessment report for 2022-23 and recommend its consideration by full Council, subject to consideration of the above points (3.4.8.15.1/2/3/4).

Panel performance assessment

101. At least once during an electoral cycle a panel performance assessment will take place in the period between ordinary elections of Councillors to the Council. The Council may choose to commission more than one panel assessment in an electoral cycle, but it is not a requirement of the legislation (The Local Government and Elections (Wales) Act 2021).
102. The Council must make a draft of its response to the panel performance assessment available to its Governance and Audit Committee, which must then review the draft response and may make recommendations for changes to the response to the panel assessment.
103. A panel performance assessment was not conducted during 2023-24 (3.4.8.4.3 / 3.4.8.16).

Auditor General inspection

104. The Auditor General may carry out a special inspection of the Council (if it considers the Council is not, or may not be, meeting its performance requirements).
105. Following the report being sent to the Council, as soon as reasonably practicable after receiving such report, the Council is required to make it available to the Governance and Audit Committee. The Council's draft response must be made available to, and be reviewed by, the Governance and Audit Committee. The Committee may recommend changes to the response, including the action proposed by the Council. If the Committee's recommendations are not adopted by the Council before publication, the recommendations must be included in the response along with the reasons why the Council has not made the changes recommended by the Committee (3.4.8.17.1/2/3).
106. The Auditor General did not carry out any special inspections of the Council during 2023-24.

Appendix A – Frequency of meetings and attendance

Members	23/05/23	29/06/23	27/07/23	21/09/23	07/12/23	08/02/24	18/04/24	Meetings attended (%)
Mr Dilwyn Evans (Lay Member) (Chair)	✓	✓	✓	✓	✓	✓	✓	100
Cllr Euryrn Morris (Deputy Chair)	✓	✓	✓	✓	Apologies	✓	✓	86
Cllr Geraint Bebb	✓	✓	✓	✓	✓	✓	✓	100
Cllr Dyfed Wyn Jones	✓	Apologies	Apologies	✓	✓	✓	✓	71
Mr William Parry (Lay Member)	✓	No	✓	✓	✓	✓	✓	86
Cllr Keith Roberts	✓	✓	✓	✓	✓	✓	✓	100
Cllr Dafydd Roberts ⁴	✓	-	-	-	-	-	-	100
Cllr Margaret M. Roberts	✓	✓	✓	Apologies	✓	✓	✓	86
Ms Sharon Warnes (Lay Member)	✓	✓	✓	No	✓	✓	✓	86
Mr Michael Wilson (Lay Member)	✓	✓	✓	✓	✓	✓	✓	100
Cllr Liz Wood	✓	No	No	✓	Apologies	Apologies	Apologies	29
Cllr Trefor Lloyd Hughes ⁵	-	✓	✓	Apologies	Apologies	✓	Apologies	50
Cllr Ieuan Williams ⁵	-	Apologies	✓	Apologies	✓	Apologies	✓	50
Cllr Robin Williams (Finance Portfolio Holder)	-	✓	✓	✓	✓	✓	✓	100
Total for Committee⁶	11	9	11	9	10	11	11	

⁴ In June 2023, Councillor Dafydd Roberts left the Governance and Audit Committee to join the Executive.

⁵ In June 2023, Councillors Trefor Lloyd Hughes and Ieuan Williams joined the Committee.

⁶ In accordance with the Committee's Terms of Reference, the Committee consists of eight elected Members and four lay members. Elected Members will not be members of the Executive, but the Finance Portfolio Holder is required, as far as possible, to attend all meetings of the Committee.

Appendix B - Member Training 2022-24

	Committee Specific										Mandatory				Total Attendance Completion
	Induction	Financial Statements	Complaints	Treasury Management	Understanding Local Authority Accounts for Councillors	Effective Chairing Skills	Countering Fraud and Corruption	Risk Management	General Data Protection Regulations (GDPR)	Cyber Awareness ⁷	Basic Safeguarding Awareness	Violence Against Women, Domestic Abuse Prevent**	Modern Slavery**		
Mr Dilwyn Evans (LM)* (Chair)	23/06/22	13/07/22	09/09/22	14/09/22 15/09/23	22/06/23	17/10/23	04/12/23	13/03/24	05/09/22	12/05/22	-	Optional	12/09/19	Optional	92%
Cllr Euryr Morris (Deputy Chair)	23/06/22	13/07/22	09/09/22	14/09/22 15/09/23	-	11/10/23	-	-	07/09/22	18/05/22	20/09/22	12/06/22	12/06/22	07/09/23	79%
Cllr Geraint Bebb	23/06/22	13/07/22	09/09/22	Apologies	24/08/23	-	04/12/23	-	16/11/23	12/05/22	27/11/23	29/09/22	19/05/24	19/05/24	79%
Cllr Neville Evans	23/06/22	Apologies	09/09/22	14/09/22	-	-	-	-	06/09/22	11/05/22	20/09/22	Not started	Not started	Not started	43%
Cllr Dyfed Wyn Jones	23/06/22	13/07/22	Apologies	Absent	-	-	-	-	06/09/22	11/05/22	26/09/22	Not started	Not started	Not started	36%
Mr William Parry (LM)*	Apologies	Absent	09/09/22	Absent	-	17/10/23	-	-	-	-	-	Optional	Optional	Optional	18%

⁷ Cyber awareness formed part of introductory training for new Council cohort in May 2022

*Lay Members.

**Optional for lay members.

	Committee Specific										Mandatory				Total Attendance Completion
	Induction	Financial Statements	Complaints	Treasury Management	Understanding Local Authority Accounts for Councillors	Effective Chairing Skills	Countering Fraud and Corruption	Risk Management	General Data Protection Regulations (GDPR)	Cyber Awareness ⁷	Basic Safeguarding Awareness	Violence Against Women, Domestic Abuse	Prevent**	Modern Slavery**	
Cllr Keith Roberts	23/06/22	13/07/22	09/09/22	14/09/22	-	-	04/12/23	-	7/09/22	11/05/22	20/09/22	Not started	Not started	Not started	57%
Cllr Margaret M. Roberts	23/06/22	Apologies	(21/07/21)	15/09/23	-	-	04/12/23	-	15/11/23	11/05/22	20/09/22	Not started	Not started	Not started	50%
Ms Sharon Warnes (LM)*	23/06/22	13/07/22	09/09/22	14/09/22	-	17/10/23	04/12/23	19/03/24	19/10/22	12/05/22	-	Optional	Optional	Optional	82%
Mr Michael Wilson (LM)*	23/06/22	13/07/22	09/09/22	14/09/22 15/09/23	22/06/23	11/10/23	04/12/23	19/03/24	22/02/19	12/05/22	-	21/12/17	Optional	Optional	92%
Cllr Liz Wood	23/06/22	13/07/22	Absent	Absent	-	-	-	19/03/24	16/11/23	11/05/22	27/11/23	Not started	Not started	Not started	43%
Cllr Trefor Lloyd Hughes	11/05/22	-	-	-	-	-	-	-	16/11/23	11/05/22	27/11/23	Not started	Not started	Not started	29% ⁸
Cllr Ieuan Williams	11/05/22	-	-	-	-	-	04/12/23	-	Apologies	11/05/22	20/09/22	Not started	Not started	Not started	29% ⁸
Total	12/13 (92%)	8/13 (62%)	9/13 (69%)	7/13 (54%)	3/13 (23%)	5/13 (39%)	7/13 (54%)	4/13 (31%)	11/13 (85%)	12/13 (92%)	9/13 (69%)	3/13 (23%)	3/13 (23%)	2/13 (15%)	

⁸ Councillors Trefor Lloyd Hughes and Ieuan Williams did not join the Committee until June 2023.

Appendix C – Meeting Outcome Summary

Date	Outcome of meeting
23 May 2023	The Committee elected the Mr Dilwyn Evans as Chairperson and Councillor Euryrn Morris as deputy Chairperson for the Governance and Audit Committee.
29 June 2023	<p>The Committee considered nine substantive items.</p> <p>It received an update on the Council's progress towards achieving its net-zero target, particularly focusing on carbon emissions data and reductions. A carbon emissions dashboard was presented, detailing emissions from various sources such as schools and council facilities. Discussions included the impact of energy-efficient measures and the effectiveness of new Council buildings in achieving net-zero status. The Committee agreed to receive annual updates on progress towards net-zero.</p> <p>The Council's annual self-assessment report for 2022/23 was presented, highlighting the Council's performance and areas for improvement. The Committee requested additional comparative information from previous years and examples to support assertions about performance.</p> <p>The Committee noted Audit Wales's Outline Audit Plan for 2023 and received an update on their work programme. Changes to audit operations were explained due to changes to ISA 315, impacting risk assessment procedures prior to an audit.</p> <p>The Committee considered two items relating to Internal Audit, receiving assurance following an external quality assessment of the Council's conformance with the Public Sector Internal Audit Standards, as well as noting the Internal Audit Annual Report 2022-23 which included the Head of Audit and Risk's annual opinion on the adequacy of the Council's risk management, governance, and control framework.</p> <p>An Annual Insurance Report detailed insurance arrangements and claims trends. The Committee endorsed the Governance and Audit Committee's Annual Report for 2022-23 and discussed arrangements for conducting a self-assessment of its performance to be facilitated by CIPFA.</p> <p>The Committee approved the Forward Work Programme for 2023-24.</p>
27 July 2023	<p>The Committee considered four substantive items.</p> <p>It considered Audit Wales's detailed audit plan for 2023 covering financial and performance audit, grant certification work and audit reporting. In noting the report, the Committee raised concerns regarding the increased audit fee as a result of additional requirements imposed by the auditing standard ISA 315.</p> <p>The Committee considered and following discussions approved the draft Annual Governance Statement 2022-23 that will form part of the Statement of Accounts 2022-23.</p> <p>In scrutinising the draft Statement of Accounts 2022-23, the Committee commented on the complexity of financial reporting and requested that a summary of headline accounts information be included on the Council's website. Discussions also focused on financial trends, asset valuations, debt management, and the impact of interest rates.</p> <p>The Committee accepted the proposed changes to its Forward Work Programme 2023-24.</p>

Date	Outcome of meeting
<p>21 September 2023</p>	<p>The Committee considered eight substantive items.</p> <p>It considered two reports relating to concerns and complaints made about the Council; the Annual Concerns, Complaints and Whistleblowing Report 2022-23 and the Public Services Ombudsman for Wales (PSOW) Annual Letter 2022-23. The Committee noted both reports, supported the implementation of the PSOW's Model Policy and the development of a complaints training needs assessment and strategy, and requested that the Leadership Team review the Council's customer service training provision,</p> <p>The Committee considered two Audit Wales reports, receiving a progress update on financial and performance audit work and noted the findings of the Effectiveness of Local Planning Authorities in Wales audit as well as the Council's responses to recommendations made as a result of this work.</p> <p>The Committee considered the Annual Treasury Management Review 2022-23. In so doing, it reviewed treasury management activities including debt management and investments, received a summary of financial outcomes and prudential indicators and discussed capital expenditure and financial reporting complexities. The Committee noted the contents of the report and forwarded it for Executive approval.</p> <p>The Committee received an update on the work of Internal Audit as well as the service's priorities going forward. It also noted the Council's progress in addressing outstanding issues/risks identified as a result of internal audit's work.</p> <p>The Committee was content to accept the Forward Work Programme as proposed and noted any changes.</p>
<p>7 December 2023</p>	<p>The Committee considered eight substantive items.</p> <p>It considered the progress made by schools in complying with data protection legislation, endorsed the Schools Data Protection Plan and asked for a copy of the Data Protection Guidance document for school governors to be circulated to all elected members.</p> <p>The Committee considered the final Statement of Accounts 2022-23 and external audit's ISA 260 Report. Following discussions around financial challenges for future years, including potential budget increases and implications of RAAC issues, the Committee resolved to accept the Final Statement of the Accounts, approve the Annual Governance Statement, and note Audit Wales's ISA 260 Report on the Financial Statements for 2022-23 in advance of formal acceptance by full Council.</p> <p>The Committee considered the Annual Counter Fraud, Bribery and Corruption Report 2022-23 and noted the activity carried out by the Council during the year to minimise the risk of fraud, bribery and corruption occurring within or against it. It also noted the National Fraud Initiative (NFI) Outcomes report and took assurance that the Council uses data analytics provided by the NFI to strengthen both its prevention and detection of fraud.</p> <p>The Committee received an update on the work of Internal Audit, including its priorities going forward. It also considered a report detailing the changes to the Strategic Risk Register to ensure better alignment with the new Council Plan 2023-28.</p> <p>The Committee noted Audit Wales's quarterly update report as of 30 September 2023, detailing financial and performance audit progress and included work by Estyn and Care Inspectorate Wales.</p> <p>It was content to accept the Forward Work Programme as proposed, discussed progress with the self-assessment exercises facilitated by CIPFA and asked that the Committee's training needs assessment questionnaire be re-circulated to members.</p>

Date	Outcome of meeting
8 February 2024	<p>The Committee considered 11 substantive items.</p> <p>It considered two reports relating to information governance, receiving the Senior Information Risk Owner's (SIRO) annual report for 2022-23 and considering the outcomes of the Information Commissioner's Office's (ICO) investigation into the Cyber incident 2021 in the Council's Secondary Schools. The committee accepted both reports including the SIRO's recommendations for further assessment of data protection risk in partnership working and cyber threats in contract management and procurement.</p> <p>The Committee endorsed the annual Corporate Health and Safety Report 2022-23, supporting the strategic plan for health and safety management and the implementation of the Corporate Health and Safety Action Plan. It requested additional actions for future reports included incorporating pre-COVID incident data in future reports, detailing falls in care homes separately, and providing data on insurance claims and costs.</p> <p>The Committee considered and noted two reports relating to Treasury Management (TM); the mid-year review 2023-24 as well as the TM Strategy Statement 2024-25.</p> <p>It received an update on the outcome of Internal Audit's work as well as a report outlining the results of the Risk Management Health Check undertaken by Zurich Resilience Solutions. The Committee resolved to approve the actions proposed to address Zurich's recommendations.</p> <p>The Committee considered two reports from Audit Wales, a review of the Council's Digital Strategy and its Use of Performance Information. It noted both reports and accepted the Council's response to the recommendations made.</p> <p>The Committee accepted the proposed changes to its Forward Work Programme 2023-24.</p> <p>In a private session, the Chair deferred consideration of the Annual Cyber Security report 2023-24, due to issues experienced by some members with accessing the report in advance of the meeting.</p>
18 April 2024	<p>The Committee considered 10 substantive items.</p> <p>The Committee considered four items relating to Internal Audit. The Internal Audit Update focused on audits completed and ongoing, with discussions on issues including debt recovery and disabled facilities grants administration. Concerns were raised about the lack of contextual information in audit reports and the treatment of debt on the Council's balance sheet. The Committee also received a report on the progress of implementing outstanding Issues and Risks and was content to approve the Strategy for 2024-25 and the accompanying Charter.</p> <p>The Committee considered the outcome of CIPFA's review of its effectiveness and approved the actions proposed to address CIPFA's 10 recommendations. The Committee discussed various points, including producing action logs, translation disparities in reports, and the need for more feedback on the Committee's performance from management.</p> <p>The Committee considered the Corporate Planning, Performance and Programme Manager's report on the progress with implementing recommendations made by Audit Wales during their National Reviews and asked for future reports to be more succinct.</p> <p>Audit Wales provided an update on its work programme and timetable for its financial and performance work, and the outcome of its work carried out during 2023. The Committee asked that future reports be accompanied by a cover report setting out the purpose of each report and the expectations on the Committee considering it.</p>

Date	Outcome of meeting
	<p>The Committee was content to accept the Forward Work Programme as proposed.</p> <p>The meeting concluded with the exclusion of the press and public for a discussion on the annual cyber security report, which highlighted challenges faced and mitigation measures in place. The Committee asked that future reports include instances where the Council's defences had been penetrated, along with the remedial actions taken.</p> <p>Following the meeting, the Committee members met privately with internal and external audit, without officers being present. A useful discussion was had, and the Committee asked for this to be an annual occurrence going forward.</p>

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	27 June 2024
Subject:	Update on the Governance and Audit Committee Effectiveness Review Action Plan
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
<p>Nature and Reason for Reporting: This report informs the members of the Committee about the progress with implementing the recommendations made by CIPFA following its review of the Governance and Audit Committee's effectiveness in 2024.</p>	

1. Introduction

- 1.1. At its meeting of 18 April 2024, the Governance and Audit Committee received a report following the outcome of a piece of work undertaken to fulfil the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) [Position Statement: Audit Committees in Local Authorities and Police 2022](#), which recommends that audit committees evaluate their impact and identify areas for improvement.
- 1.2. Members were asked to consider the outcome of the report, the recommendations for improvement made by CIPFA and the actions proposed by management and members of the Committee to address the issues raised.
- 1.3. This report provides an update to the Committee on the progress being made with implementing the recommendations made by CIPFA.

2. Recommendation

- 2.1. That the Governance and Audit Committee notes the actions detailed in the following table and is content that the recommendations have been implemented to its satisfaction.

Governance and Audit Committee Effectiveness Review Action Plan

No.	Recommendation	Action Proposed	Action Owner / Implementation Date	Progress / Status
1	Revise and streamline the Governance and Audit Committee's terms of reference to include all aspects of its work and remove any duplication.	Agreed, will be undertaken during the review of the Constitution.	Head of Audit & Risk 31 March 2024	<p>In progress.</p> <p>The Terms of Reference have been revised in accordance with recommendations from the CIPFA review.</p> <p>Circulated to Chair and Director of Function (Resources) and Section 151 Officer on 13/05/24. Responses received 20 and 21/05/24 respectively.</p> <p>Translated version circulated to members of the Governance and Audit Committee on 28/05/24, with responses due by 11/06/24.</p> <p>Final version submitted to Governance and Audit Committee for formal approval 27/06/24.</p>
2	Plan committee agendas to prioritise the items where the Committee can make an impact and to support it to do so. Ensure that reports to the Committee clearly set out why the report is being presented and the role of committee	<p>H&AR will review the draft agenda to ensure the ordering of items is appropriate, and items to be noted will be moved to the end.</p> <p>The reason for the report being presented is included in the cover report. However, the H&AR will review each to ensure they are fully and sufficiently completed.</p>	Head of Audit & Risk Immediate	Implemented.

No.	Recommendation	Action Proposed	Action Owner / Implementation Date	Progress / Status
	members in receiving and considering these reports.	The Forward Work Programme also references the Committee's ToR against each item, so reports are prioritised and spaced out throughout the year.		
3	Encourage officers to give brief introductions to their reports to add extra context. Consider setting a time limit for officer presentations.	As above, the HA&R will review the Governance and Audit Committee cover report to ensure adequate and is fully completed.	Head of Audit & Risk Immediate	Implemented.
		Will discuss with Chair about referring to these cover reports.	Head of Audit & Risk / Chair Immediate	Implemented.
		The HA&R will discuss with HR Training and Development Manager the provision of training for officers on reporting to Committee.	HR Training & Development Manager 31 March 2025	In progress. The HR Training and Development Manager has confirmed that training for officers reporting to committees is included in the 2024/25 training plan.
4	Reconsider the balance of committee administration roles to support the more effective working of the Committee.	Current resources within Democratic Services mean there is no capacity to support further. This is unlikely to change due to the current financial constraints.	Chief Executive and Monitoring Officer	Noted.
5	Move to action-focussed minutes that record the key elements of the discussion and	Agreed. We will move to produce minutes that focus on actions and	Democratic Services	Implemented.

No.	Recommendation	Action Proposed	Action Owner / Implementation Date	Progress / Status
	conclusions reached only. Use consistent terms around decisions.	matters that were resolved by the Committee.	Next meeting.	
6	Support the current lay members to be more integrated into the Committee.	Chair to consider an appraisal process for members of the Committee.	Chair	Noted. Lay members have also been reminded that they can attend the monthly members' briefing sessions.
7	Work with the Council's risk advisors to ensure that the Committee is clear about and fulfils its risk roles.	Issue will be reviewed as part of the Health check of the Council's Risk Management arrangements currently being undertaken by Zurich.	Head of Audit & Risk Immediate	Implemented. The Risk Management Policy, Strategy and Guidance have been updated to make the roles clear. A paragraph has been added in the Risk Management section of the Committee's Terms of Reference to clarify the Committee's responsibilities when acting as a risk committee.
8	Identify ways for internal audit to work more closely with the Committee, including informal meetings with the Chair both before and after meetings, to identify ways to develop the Committee.	Agreed. HA&R currently meets with the Chair on an ad-hoc basis. However, going forward will meet more formally with the Chair and Deputy Chair following each meeting.	Head of Audit & Risk / Chair and Deputy Chair Immediate	In progress.
9	Meet internal and external audit separately, formally and in private at least once a year and	Agreed. Will schedule a private meeting separately between Internal Audit and External Audit and the Committee, without other officers	Head of Audit & Risk Audit Wales	Implemented. The Governance and Audit Committee's Terms of Reference have been

No.	Recommendation	Action Proposed	Action Owner / Implementation Date	Progress / Status
	meet internal audit informally between meetings.	being present. This meeting will not be minuted or webcast. First private meeting has been scheduled for 18 April 2024, to be held following the formal meeting.	Chair Once a year, commencing April 2024	updated to make this explicit. The first private meeting was held on 18 April 2024.
10	Consider producing a short briefing note from the Chair after each meeting, summarising the key points to be shared with all members.	Action-focussed minutes will assist the Chair in preparing a briefing note, if he feels one is required.	Chair	Implemented. The first Chair's Briefing Note for the 18 April 2024 committee meeting was circulated to members of the Governance and Audit Committee on 28 May 2024.

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to:	Governance and Audit Committee
Date:	27 June 2024
Subject:	Governance and Audit Committee Action Log
Head of Service:	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author:	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
Nature and Reason for Reporting: This report informs the members of the Governance and Audit Committee about the status of the actions / decisions it has agreed upon.	

1. Introduction

- 1.1. At its meeting of 18 April 2024, the Governance and Audit Committee received a report following the outcome of a piece of work undertaken to fulfil the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) [Position Statement: Audit Committees in Local Authorities and Police 2022](#), which recommends that audit committees evaluate their impact and identify areas for improvement.
- 1.2. Members were asked to consider the outcome of the report, the recommendations for improvement made by CIPFA and the actions proposed by management and members of the Committee to address the issues raised.
- 1.3. During deliberations around how the Committee could be more impactful and proactive rather than reactive, a member suggested having an action log following each meeting to enable the Committee to monitor the progress and completion of the actions/decisions it has agreed upon.

2. Recommendation

- 2.1. That the Governance and Audit Committee notes the actions detailed in the following table and is content that the actions have been implemented to its satisfaction.

Governance and Audit Committee Action Log

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
1	18/04/24	3	Head of Audit and Risk to produce an action log to monitor progress against actions/decisions agreed at each meeting.	Head of Audit & Risk	The Head of Audit and Risk has developed an Action Log and will submit it to each meeting of the Committee.	Complete. Effective from 27/06/24
2	18/04/24	3	Head of Audit and Risk to circulate to the Committee's members for comment the Committee's Terms of Reference with the changes recommended by CIPFA ahead of their formal review by Committee in June 2024.	Head of Audit & Risk	<p>Terms of Reference have been revised in accordance with recommendations from the CIPFA review.</p> <p>Circulated to Chair and Director of Function (Resources) and Section 151 Officer 13/05/24. Responses received 20 and 21/05/24 respectively.</p> <p>Translated version circulated to members of the Governance and Audit Committee 28/05/24, with responses due by 11/06/24.</p> <p>Final version submitted to Governance and Audit Committee for formal approval 27/06/24.</p>	Complete.
3	18/04/24	3	To enhance the Committee's proactiveness, that consideration be given to trialling an approach	Director of Function (Resources) &	Consideration will be given, where relevant, to holding briefing sessions with the	Noted.

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
			whereby the Committee is briefed in advance of an upcoming agenda item to enable members to research the subject area for ideas ahead of its being formally considered by the Committee.	Section 151 Officer	Committee prior to any new and unfamiliar agenda items.	
4	18/04/24	8	The format and content of future reports regarding national reviews and their related recommendations be amended as suggested.	Corporate Planning and Performance Manager		
5	18/04/24	9	Reports by Audit Wales be accompanied in future by a covering report setting out the purpose of each report and the expectations on the Committee in considering it.	Corporate Planning and Performance Manager		
6	18/04/24	13	The Annual Cyber Security Report in future include instances (if any) where the Council's IT/cyber security defences have been penetrated and the remedial actions taken.	IT Manager		

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	27 June 2024
Subject	Audit Wales Report on setting of well-being objectives
Head of Service	Carys Edwards Head of Profession HR and Transformation CarysEdwards@anglesey.gov.wales
Report Author	Gwyndaf Parry Corporate Planning, Performance and Programme Manager GwyndafParry@anglesey.gov.wales
Nature and Reason for Reporting	
<p>The Governance and Audit Committee's Terms of Reference require it to consider external audit's relevant reports (3.4.8.11.2) and monitor their recommendations (3.4.8.11.3). The Committee is required to review the report and take assurance that the Council will address the Audit Wales recommendations.</p>	

1.0 INTRODUCTION

1.1 The aim of the Audit Wales examination was to:

- explain how Isle of Anglesey County Council (the Council) applied the sustainable development principle throughout the process of setting its well-being objectives;
- provide assurance on the extent that the Council applied the sustainable development principle when setting its well-being objectives; and
- identify opportunities for the Council to further embed the sustainable development principle when setting well-being objectives in future.

2.0 RECOMMENDATION

2.1 That the Governance and Audit Committee:

- Reviews the audit report and the two recommendations.
- Takes assurance from the organisation response form of the steps taken by the Council to address the recommendations.

Setting of well-being objectives – Isle of Anglesey County Council

Audit year: 2022-23

Date issued: April 2024

Document reference: 4200A2024

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Background: our examinations of the setting of well-being objectives

- 1 The Well-being of Future Generations (Wales) Act 2015 (the Act) places a ‘well-being duty’ on 48 public bodies. The duty requires those bodies to set and publish ‘well-being objectives’ that are designed to maximise their contribution to achieving each of the Act’s seven national well-being goals.¹ They must also take all reasonable steps, in exercising their functions, to meet those objectives.
- 2 The Auditor General must carry out examinations to assess the extent to which public bodies have acted in accordance with the sustainable development principle when setting their well-being objectives.² We are carrying out a rolling programme of these examinations, up to early 2025.³
- 3 To do something in accordance with the sustainable development principle means acting ‘in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.’ To achieve this, a public body must take account of the five ways of working: long term, integration, involvement, collaboration, and prevention.⁴
- 4 We designed an assessment framework to enable us to assess the extent to which public bodies have applied the sustainable development principle when setting their well-being objectives. **Appendix 1** sets out further information on our approach, including a set of ‘positive indicators’ that illustrate what good could look like.
- 5 In designing our approach, we considered what we could reasonably expect from public bodies at this point in time. Public bodies should now be familiar with the sustainable development principle and ways of working and be seeking to apply them in a meaningful way. At the same time, we appreciate that public bodies are still developing their experience in applying the sustainable development principle when setting well-being objectives. Therefore, the examinations include consideration of how public bodies are applying their learning and how they can improve in future.

¹ The seven national well-being goals are a prosperous Wales, a resilient Wales, a healthier Wales, a more equal Wales, a Wales of cohesive communities, a Wales of vibrant culture and thriving Welsh language, and a globally responsible Wales.

² Section 15 (1) (a) Well-being of Future Generations (Wales) Act 2015

³ The Auditor General must carry out examinations over the period set out in the Act, which begins one year before a Senedd election and ends one year and one day before the following Senedd election.

⁴ Section 5 Well-being of Future Generations (Wales) Act 2015

Carrying out our examination at Isle of Anglesey County Council

- 6 The aim of this examination was to:
 - explain how Isle of Anglesey County Council (the Council) applied the sustainable development principle throughout in the process of setting its well-being objectives;
 - provide assurance on the extent that the Council applied the sustainable development principle when setting its well-being objectives; and
 - identify opportunities for the Council to further embed the sustainable development principle when setting well-being objectives in future.
- 7 We set out to answer the question ‘to what extent has the Council acted in accordance with the sustainable development principle when setting its new well-being objectives.’ We did this by exploring the following questions:
 - Was the process the Council put in place to set its well-being objectives underpinned by the sustainable development principle?
 - Has the Council considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?
 - Has the Council put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?
- 8 We discussed the timing of the examination with the Council and tailored the delivery to reflect its specific circumstances.
- 9 We gathered our evidence in the following ways:
 - reviewing key documents;
 - observed key meetings discussing well-being objectives;
 - interviewed key staff involved with setting the well-being objectives.

How and when the Council set its well-being objectives

- 10 The Council commenced work on setting new well-being objectives at the beginning of 2022 and approved its new objectives in March 2023. **Exhibit 1** sets out those well-being objectives.
- 11 The Council published its well-being objectives as part of its 2023-28 Council Plan, which also includes six strategic objectives. The Council Plan 2023-28 can be viewed on the [Council website](#).

Exhibit 1: Isle of Anglesey Council well-being objectives 2023-28

The people of Anglesey are educated to reach and fulfil their long-term potential.

The people of Anglesey are safe, healthy and as independent as possible.

The people of Anglesey and its communities enjoy, protect and enhance their built and natural environment for future generations.

What we found

The Council has applied the sustainable development principle in the process of setting its new well-being objectives, however there are opportunities to strengthen the use of data and identify the required funding

Planning process for setting the well-being objectives and evidence base

- 12 The Council has drawn on some key information to help set its well-being objectives. Specifically, the Council has drawn on its Annual Performance report for 2021-22 and monitoring of its Annual Delivery Plans to assess how well it performed against the previous well-being objectives and whether they remain appropriate. The Council has used information from the census but has not made use of a range of local and national sources (see Appendix 1 Positive Indicators from a range of local and national sources).
- 13 The Council has considered local risks and opportunities, but it is unclear how it has considered future trends in general. The Council Plan refers to financial and demand pressures, and the approved Freeport status and possibility of a new nuclear power station are critical issues for the Council. However, broader consideration of future trends will help the Council ensure the objectives, and importantly, steps to meet them, are designed to respond to emerging risks and opportunities.
- 14 The Council has identified some data gaps and the need to improve its understanding of differences between areas in the county. It has also identified the need to build intelligence to support the development of key projects to deliver the well-being objectives. Addressing the gaps could provide useful information for the

Council to draw on as part of its annual reviews of the well-being objectives. Such information will be helpful when reviewing and setting future well-being objectives.

Consultation and involvement

- 15 The Council conducted an extensive consultation exercise both internally and externally to inform its well-being objectives. The Council organised two consultation exercises; an initial programme of engagement to inform the well-being objectives and a subsequent consultation to seek further views on the draft objectives.
- 16 The Council sought to encourage broad participation across the two consultation exercises. This included:
 - publicising the consultation widely,
 - designing the materials to be accessible and engaging, and
 - holding face-to-face sessions in addition to the online consultation.
- 17 The Council also sought to involve under-represented groups. This included working with partners to effectively reach protected characteristic groups. In addition to the activities set out above, it held:
 - focus groups with Medrwn Môn,
 - 11 focus groups in partnership with Age Cymru, and
 - approached 22 school councils consisting of pupil representatives.
- 18 The Council demonstrated good practice in providing easy read consultation materials making them more accessible to a broader range of people and
 - distributed leaflets and posters,
 - produced a radio advertisement,
 - held face-to-face sessions at seven locations, and
 - provided direct links to the online questionnaire on the written publicity to publicise the opportunity to influence the well-being objectives.
- 19 The Council consulted its staff at the initial engagement stage asking people what the Council Plan should include over the next five years. The Council also invited staff to respond to the draft well-being objectives, the strategic objectives and workstreams and their input led to changes in preparation for the public consultation.
- 20 The Council received a high number of responses, at over 2,500. We can see how the Council has used the results of involvement with the public and that residents' priorities have been reflected within the final well-being objectives. However, the Council's identified that 16-24 year-olds were under-represented in the consultation exercises. The Council has begun to address this by considering how it could improve securing feedback from this group specifically, on an ongoing basis, within its next participation strategy. Members raised concerns that the proportion of responses submitted through the medium of Welsh was lower than expected and there was an agreement to investigate further.

Planning to improve well-being

- 21 The Council designed its well-being objectives to achieve outcomes beyond the period of the plan. The Council has designed many of its strategic aims beneath the well-being objectives to come into fruition over several years, such as improvements to climate change and the Welsh language. The Council has a Preventative Strategy, currently under review to align with the 2023-28 Council Plan, which seeks to address how early intervention by the Council and partners can help people at key stages in their lives. The Strategy's projects seek to address root causes of problems and achieve longer-term positive outcomes for people.
- 22 The Council's Plan shows some consideration of how its well-being objectives relate to the seven national well-being goals, its partners objectives and its own corporate strategies.
- 23 The Council uses an integrated impact assessment to develop policy and aid decision-making. The assessment is a tool to help the Council understand a range of well-being of future generations, equalities, socio-economic and Welsh language impacts under the various legislative requirements. However, the cover report presenting the 2023-28 Council Plan stated that it would conduct equalities, socio-economic and Welsh language impact assessments on the Council Plan's individual projects, rather than for the Plan itself. The Council should ensure that its arrangements to comply with its Welsh-specific socio-economic duties under the Equality Act 2010 and the Welsh Language (Wales) Measure 2011 also include conducting such impact assessments on any strategic decisions, like its Council Plan.

Planning to deliver the well-being objectives

- 24 The Council has set objectives that seek to drive activity across the different departments. The Council's well-being objectives are supported by its Annual Delivery Plans and Transformation Programme Boards. These Boards have been set up for each strategic aim (under the well-being objectives) to enable strategic discussions. Internal integration is well-supported, with officers from different services sitting on each other's Boards. This format provides members and senior officers with assurance that it delivers anticipated benefits to the Council and its communities.
- 25 The Council has highlighted to senior leaders which of the Council Plan's 57 workstreams are preventative in nature. However, as only the first year (2023-24) of the Council Plan's activities under the well-being objectives have been fully costed, uncertainty remains over medium-term resources and how it can resource longer-term objectives.
- 26 For example, the current Medium Term Financial Plan (MTFP) for the period of this examination (covering the 2022-23 to 2024-25 period) does not refer to the projects under the Council Plan. Resourcing the Plan is also heavily dependent on grant funding. The Council reported that grant funding supports or funds 79% (45

out of 57) of the 2023-28 Plan's projects. Grant funding is inherently changeable and presents a risk to the delivery of the Council's priorities. The Council acknowledges that a degree of flexibility is required, and some projects might need to be tailored because of financial pressures.

- 27 Unless the Council assesses the impact of not allocating funding for projects that have already been approved, it will be difficult to prioritise. As a result, it will be at risk of not achieving the expected outcomes of its well-being objectives, including preventive benefits.

Monitoring the well-being objectives and lessons learned

- 28 The Council has established a communications plan and monitoring arrangements for its well-being objectives. The Council also sets out the milestones and measures, most of which are SMART (specific, measurable, achievable, relevant and time-bound) within its Annual Delivery Document for 2023-24. Interim measures are also designed to enable senior leaders to track progress for achieving the strategic aim. Some of the Council's performance measures focus on long term, preventative outcomes. For example, under the well-being objective of 'The people of Anglesey are safe, healthy and as independent as possible,' there is a measure for senior leaders to see the percentage of households with children successfully prevented from becoming homeless.
- 29 The Corporate Scorecard reporting method allows senior leaders to see a 'snapshot' of quarterly progress on projects beneath each well-being objective. A narrative section introduces the scorecard and explaining trends and any areas of concern for progress against the well-being objectives.
- 30 Although the Council has reflected on how effective its consultation was, it has not yet considered how it could improve the process for setting its well-being objectives in the future. The Council has an opportunity to reflect how it has applied the sustainable development principle on the wider process and identify what went well and any improvements it plans to make when it next sets its well-being objectives.

Recommendations

Impact of financial constraints

- R1** To deliver its well-being objectives in line with the sustainable development principle, the Council should ensure the future iterations of its Medium Term Financial Plan clearly show
- how the Council's resources will be prioritised to deliver its well-being objectives; and
 - how current and future savings targets or known future financial risks might impact the delivery of its well-being objectives.

Consideration of future trends

- R2** The Council should give more detailed consideration to relevant future trends, needs, risks and opportunities in order to build on the progress it has made in applying the sustainable development principle when setting future well-being objectives.

Appendix 1

Key questions and what we looked for

The table below sets out the question we sought to answer in carrying out this examination, along with some sub-questions to guide our evidence gathering. It also includes some 'positive indicators' that have been tailored to this examination, adapted from those we have previously used to inform our sustainable development principle examinations. This list is not a checklist, but rather an illustrative set of characteristics that describe what good could look like.

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?	
Planning: Was the process the body put in place to set its well-being objectives underpinned by the sustainable development principle?	
Has the body used data and other intelligence to understand need, risks and opportunities and how they might change over time?	Positive indicators <ul style="list-style-type: none">• The Council has a clear and balanced assessment of progress against previous well-being objectives that has been used to inform the body's understanding of the 'as is/' short-term need.• The Council has set well-being objectives based on a good understanding of current and future need, risk and opportunities, including analysis of future trends. This is likely to be drawn from a range of local and national sources, such as:<ul style="list-style-type: none">– Public Services Boards' well-being assessments– Regional Partnership Boards' population assessments– The results of local involvement/ consultation exercises– Service monitoring and complaints

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?	
	<ul style="list-style-type: none"> – Future Trends report – Natural Resources Wales' State of Natural Resources Report (SoNaRR) for Wales and Area Based Assessments • The Council has sought to understand the root causes of problems so that it can address negative cycles and intergenerational challenges through its well-being objectives.
Has the Council involved others in developing its well-being objectives?	<ul style="list-style-type: none"> • The Council uses the results of involvement to help select its well-being objectives. That involvement – whether primary, secondary or a combination – reflects the full diversity of the population. • Involvement reflects good practice and advice from the Future Generations Commissioner.
Has the Council considered how the objectives can improve well-being and have a broad impact?	<ul style="list-style-type: none"> • The well-being objectives have been designed to improve well-being in the broadest sense and make a contribution across the seven national well-being goals. • The well-being objectives have been designed to reflect and capitalise on the connections between different areas of work. • There is a well-developed understanding of how the well-being objectives impact on/ relate to what other public bodies are trying to achieve and opportunities to work together.
Has the Council designed the objectives to deliver longer-term benefits, balanced with meeting short-term needs?	<ul style="list-style-type: none"> • The Council has set objectives that are sufficiently ambitious and have been designed to drive activity across the organisation. • The objectives are designed to meet short and longer-term need. Where objectives are set over a short to medium timeframe, they are set in the context of longer-term considerations or ambitions.
Resourcing and delivery: Has the Council considered how it will make sure it can deliver its well-being objectives in line with the sustainable development principle?	
Has the Council considered how it can resource the well-being objectives?	<ul style="list-style-type: none"> • Resources have been allocated to ensure the objectives can be delivered over the short and medium-term, but the Council has also considered longer-term resources, risks and/or how it can resource longer-term objectives.

To what extent has the body acted in accordance with the sustainable development principle when setting its new well-being objectives?	
	<ul style="list-style-type: none"> The Council has allocated resources to deliver preventative benefits, where these are described in its well-being objectives.
Has the Council considered how it can work with others to deliver their objectives?	<ul style="list-style-type: none"> The Council is drawing on its knowledge of partners objectives/ activity, its relationships and collaborative arrangements to make sure it can deliver on cross-cutting ambitions.
Monitor and review: Has the Council put in place arrangements to monitor progress and improve how it applies the sustainable development principle when setting its well-being objectives?	
Has the Council developed appropriate measures and monitoring arrangements?	<ul style="list-style-type: none"> Performance measures are designed to reflect the sustainable development principle, e.g., by focusing on outcomes that cut across departmental/ organisational boundaries and deliver multiple (including preventative) benefits over the longer term. There is a 'golden thread' that will allow the Council to clearly and transparently report on progress to meeting the objectives.
Is the Council seeking to learn from and improve how it has applied the sustainable development principle to setting its well-being objectives?	<ul style="list-style-type: none"> The Council shows self-awareness and a commitment to improving how it applies the sustainable development principle so that it can do so in a meaningful and impactful way. The Council has learnt from setting previous well-being objectives and from applying the sustainable development principle more generally and has improved the process for setting its new well-being objectives. The Council has or plans to reflect on how it has applied the sustainable development principle in this round of setting well-being objectives.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Organisational response

Report title: Setting of well-being objectives – Isle of Anglesey County Council

Completion date:

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	<p>Impact of financial constraints</p> <p>To deliver its well-being objectives in line with the sustainable development principle, the Council should ensure the future iterations of its Medium Term Financial Plan clearly show</p> <ul style="list-style-type: none"> • how the Council's resources will be prioritised to deliver its well-being objectives; and • how current and future savings targets or known future financial risks might impact the delivery of its well-being objectives. 	<p>In developing our Medium Term Financial Plan in 23/24 we took into account our well-being objectives. The PG agreed to put extra money into the Adult and Child budget. Also some cuts to school budget have been reduced by the PG in setting the budget. This in line with our Well-being objectives:</p> <ol style="list-style-type: none"> 1. The people of Anglesey are being taught to reach and fulfil their long-term potential. 2. The people of Anglesey are safe, healthy and as independent as possible. <p>The Council will gather the information to try to assess the true cost of implementing everything in the Council's Plan. Work with each Service Head to do this by gathering information on whether:</p> <ul style="list-style-type: none"> • Our strategic objective • Our commitment • Targets to meet the above • Budget and the origin of the budget to realize the above • Additional budget needed <p>The above information will then feed into the Financial Medium Term Plan Model and go to the Executive Committee in September. This assessment will be regularly discussed with</p>	March 2025	Head of Profession / Officer 151

		<p>the Executive Committee before then as part of the 25/26 budget preparation process.</p> <p>It is important to note that it is very difficult for the Council to make MTFP effective while our annual budget is only ratified by WG a few months before the start of the financial year.</p>		
<p>R2</p>	<p>Consideration of future trends</p> <p>The Council should give more detailed consideration to relevant future trends, needs, risks and opportunities in order to build on the progress it has made in applying the sustainable development principle when setting future well-being objectives.</p>	<p>In developing our Council Plan 2023-2028 we used a number of demographic data from the census; includes population and population trends to provide knowledge and understanding of changes within the demographic of our population. This information has been used in formulating our strategic objectives that set the direction for our annual delivery document.</p> <p>CSYM has published a Digital Strategic Plan in February 2024 which will support us to make the Council's Plan a reality, it sets our commitments to develop our way of working to use Digital to work more effectively and efficiently.</p> <p>As a result, we have developed a data dashboard around the area of poverty and cost of living related to our well-being objectives.</p> <p>The purpose of this dashboard is to provide data on trends related to poverty; It contains data over time about:</p> <ol style="list-style-type: none"> 1. People unemployed 2. Number of people on benefits 3. Use of food banks on the Island 	<p>Mawrth 2025</p>	<p>Corporate Planning, Performance and Programme Manager</p>

We have published a Tackling Poverty Strategic Plan. The data dashboard will be used to measure impact against strategic objectives within the plan.

We are in the process of developing a net zero dashboard, which provides valuable information regarding the sustainable development principle, including overview and trend data on:

1. Energy use within Council buildings
2. Fuel consumption of fleet vehicles

This information allows us to understand our baseline and measure the impact of any environmental plans that greet our well-being objectives.

We have an intention to develop our use of data and trends in the development of further dashboards.

A more integrated process is being developed to consider future budgets that will include baseline and demographic and socio-economic trends. This will hopefully provide greater assurance that fiscal decisions fully consider the well-being of Island residents in the short, medium, and long term.

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ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	27 June 2024
Subject	Audit Wales Work Programme and Timetable – Quarterly Update 31 March 2024
Head of Service	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
<p>Nature and Reason for Reporting</p> <p>The Governance and Audit Committee’s Terms of Reference require it to oversee the external audit arrangements (3.4.8.11.3) and oversee the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies (3.4.8.11.4). The Committee is also required to receive and consider reports from any other regulators or inspectors, which will be a useful source of assurance (3.4.8.13.1).</p>	

1.0 INTRODUCTION

- 1.1 This report sets out the status of the delivery of Audit Wales’s work programme with regards:
 - financial audit work on the 2023-24 Statement of Accounts and ongoing Certification of Grant Returns and
 - 2022-23 and 2023-24 performance audit work.
- 1.2 The report also provides an overview of the local government national studies that are planned and in progress and whether fieldwork is planned at the Isle of Anglesey County Council. Currently, there is no planned fieldwork at the Council for any of the national studies.
- 1.3 Additionally, the report provides an overview of the work being undertaken by Estyn and the Care Inspectorate Wales across Wales. This does not detail any specific work relating to the Council.
- 1.4 The report provides a list of the Audit Wales national reports published since March 2023, along with work in progress and planned. None of these refer to the Council specifically.
- 1.5 Finally, the report provides the details of Good Practice Exchange events and resources. Although it refers to an Audit Committee event that was held in May 2024 in Cardiff, there are plans to hold a similar event in north Wales later this year.

2.0 RECOMMENDATION

2.1 That the Governance and Audit Committee:

- Considers the report and notes the assurance it provides.

Audit Wales Work Programme and Timetable – Isle of Anglesey County Council

Quarterly Update: 31 March 2024

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in February 2024.	December 2024	Drafting will commence on completion of the Audit of the Council's 2023-24 statement of accounts.

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2023-24 Statement of Accounts	We will complete the Statutory audit of the Council's Financial Statements & Annual Governance Statements	August – November 2024	Audit planning work has commenced

Description	Scope	Timetable	Status
<p>Certification of Grant Returns:</p> <p>Housing Benefit Subsidy 2021-22</p>	<p>Certification that nothing has come to our attention to indicate that the return is:</p> <ul style="list-style-type: none"> • Not fairly stated • Is not in accordance with the relevant terms and conditions 	<p>Audit testing of HB 21-22 subsidy has been completed during March & April 2024</p>	<p>The 2021-22 claim was certified on behalf of the Auditor General for Wales on 2 May 2024</p>
<p>Certification of Grant Returns:</p> <p>Housing Benefit Subsidy 2022-23</p>	<p>Certification that nothing has come to our attention to indicate that the return is:</p> <ul style="list-style-type: none"> • Not fairly stated • Is not in accordance with the relevant terms and conditions 	<p>Certification deadline passed, however working towards 30 September 2024</p>	<p>Audit work on the 2022-23 subsidy claim is ongoing during summer 2024</p>

Performance Audit work

2022-23 Performance Audit work	Scope	Timetable	Status
<p>Assurance and Risk Assessment</p>	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.</p> <ul style="list-style-type: none"> Financial position 	<p>Ongoing monitoring of financial position</p>	<p>Ongoing</p>

2022-23 Performance Audit work	Scope	Timetable	Status
	<ul style="list-style-type: none"> <li data-bbox="416 658 863 689">• Capital programme management <li data-bbox="416 1303 863 1393">• Use of performance information – with a focus on service user feedback and outcomes <li data-bbox="416 1662 836 1693">• Setting of well-being objectives 	<p data-bbox="938 658 1098 748">September – December 2023</p> <p data-bbox="938 1303 1075 1393">February – September 2023</p> <p data-bbox="938 1662 1118 1751">February 2023 – February 2024</p>	<p data-bbox="1187 658 1369 1227">AW will not undertake detailed work at all councils as part of our 2022-23 work programme. We intend to undertake a local government study looking at capital planning in local government commencing in 2024.</p> <p data-bbox="1187 1303 1362 1585">Final report issued in November 2023 and presented to Governance and Audit Committee in February 2024</p> <p data-bbox="1187 1662 1347 1751">In progress – draft report in clearance</p>

2022-23 Performance Audit work	Scope	Timetable	Status
Thematic Review – Unscheduled Care	A cross-sector review focusing on the flow of patients out of hospital. This review will consider how the Council is working with its partners to address the risks associated with the provision of social care to support hospital discharge, as well as prevent hospital admission. The work will also consider what steps are being taken to provide medium to longer-term solutions.	August 2022 – October 2023	North Wales draft report issued for clearance in February 2024
Thematic review – Digital	A review of councils’ strategic approach to digital, and the extent to which this has been developed in accordance with the sustainable development principle; and that it will help to secure value for money in the use of councils’ resources.	January – September 2023	Final report issued in November 2023 and presented to Governance and Audit Committee in February 2024
Review of Development Control and Planning Enforcement	The review will seek to establish: Does the Council have an effective and resilient development control and planning enforcement service?	July 2022 – June 2023	Final report issued in July 2023 and presented to Governance and Audit Committee in September 2023

2023-24 Performance Audit work	Scope	Timetable	Status
Assurance and Risk Assessment	Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources and acting in accordance with the sustainable development principle.	April 2023 – March 2024	Ongoing
Thematic review – commissioning and contract management	A review focusing on how councils' arrangements for commissioning, and contract management apply value for money considerations and the sustainable development principle.	March – December 2024	Scoping
Thematic review – Financial Sustainability	A review of councils' financial sustainability including a focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term.	March – July 2024	Fieldwork planned for April and May 2024
Local project – Follow-up on WHQS 2018	We will review the Council's response to the findings of our 2018 report.	To be confirmed	Scoping

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at the Isle of Anglesey County Council
Governance of special purpose authorities – National Parks	Review of systems and effectiveness of governance	November 2022 – September 2023	Report drafting – publication due April 2024	No
Governance in Fire and Rescue Authorities	Review of systems and effectiveness of governance	September 2023 – August 2024	Fieldwork underway. Publication due July 2024.	No
Homelessness	Examining how services are working together to progress the response to homelessness	tbc	Scoping	tbc
Capital Planning in Local Government	Examining whether capital investment in the asset base in local government is able to keep pace with demand	tbc	Not started	tbc

Study	Scope	Timetable	Status	Fieldwork planned at the Isle of Anglesey County Council
Financial constraints / discretionary local government services	Examining the potential impacts and councils' decision making processes in the context of the sustainable development principle	tbc	Not started	tbc

Estyn

Our link inspectors are continuing to work with Torfaen as part of our follow-up process for an authority causing significant concern. Conwy local government education service report was published on 18 January 2024 and we highlighted strong practice in the way the local authority worked across its service areas to provide integrated support for vulnerable young people.

We piloted a few new approaches to our inspection arrangements in the Vale of Glamorgan on the week beginning 11 March. We also inspected the Vale of Glamorgan’s youth work on the week beginning 19 February 2024, and the findings of that inspection informed the evidence base for the LGES inspection. Both the youth and the LGES reports will be published on 30 April. During the spring term, Estyn link inspectors contributed to the assurance and risk workshops with local authorities across Wales.

During the summer term we will be piloting our enhanced link visits in two local authorities. The visits will involve three link inspectors visiting a local authority for two days, focusing on one or two specific aspects of the local authority’s work. The output is a letter to the Chief Executive Officers which is published on our website. We will also be inspecting Ceredigion and Caerphilly local government education services. We will be carrying out field work in all local authorities on the Implementation of the Additional Learning Needs and Education Tribunal [Wales] Act 2018 in non-maintained settings, primary and secondary schools and all age schools Year 2. This review follows on from the year 1 review of the implementation of the ALNET Act in schools, which was published in September 2023.

Care Inspectorate Wales (CIW)

CIW planned work 2023-25	Scope	Timetable	Status
Thematic reviews			
Community Learning Disability Team (CLDT)	Working jointly with HIW we completed an assurance check in Rhondda Cynon Taff focusing on Community Learning Disability Teams (CLDT)	2024-25	Delivery
	We are planning our second CLDT assurance check in Blaenau Gwent	March 2024	Planning

CIW planned work 2023-25	Scope	Timetable	Status
National review of Care Planning for children and young people subject to the Public Law Outline pre-proceedings	<p>Purpose of the review</p> <p>To provide external scrutiny, assurance and to promote improvement regarding the quality of practice in relation to the care planning for children and young people subject to the public law outline pre-proceedings.</p> <p>To consider the extent to which practice has progressed since the publication of both the CIW ‘National Review of care planning for children and young people subject to public law outline pre-proceedings’ and the publication of the PLO working group report 2021 including best practice guidance.</p>	January 2024	Published
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2022-23	<p>The 2021-2022 report was published on 28 Feb 2024 Deprivation of Liberty Safeguards (DoLS) annual monitoring report 2022-23 Care Inspectorate Wales</p>	February 2024	Published

CIW planned work 2023-25	Scope	Timetable	Status
Joint Inspection Child Protection Arrangements (JICPA)	We will complete a further two multi-agency joint inspections in total	April 2023 – April 2024	Delivery
	The findings following Denbighshire County Council have been published – Joint Inspectorate Review of Child Protection Arrangements (JICPA): Denbighshire 2023 Care Inspectorate Wales		
	The findings following Bridgend County Borough Council have been published – Joint Inspectorate Review of Child Protection Arrangements (JICPA): Bridgend 2023 Care Inspectorate Wales		
	The findings from Powys County Council have been published – Joint Inspectorate Review of Child Protection Arrangements (JICPA): Powys 2023 Care Inspectorate Wales		
	Our findings from the Cardiff JICPA will be published shortly	Awaiting publication	Awaiting publication
We will publish a national report in early summer 2024	July 2024	Planning	

CIW planned work 2023-25	Scope	Timetable	Status
<p>Performance review of Local Authorities</p>	<p>We continue to inspect Local Authorities in line with our updated Code of Practice for our local authority inspection activity Care Inspectorate Wales</p> <p>How we inspect local authority services and CAF/CASS Cymru</p> <p>We published our report for Flintshire County Council children and adult services in February 2024 – Inspection report for Flintshire County Council’s adults and children’s services published Care Inspectorate Wales</p> <p>We completed a Performance Evaluation Inspection in Monmouthshire County Council in Feb-March. We will publish our report shortly</p>	<p>Ongoing</p>	<p>Ongoing</p>
<p>Her Majesty’s Inspectorate of Probation – Youth Offending Inspection</p>	<p>We supported the delivery of HMIP’s Youth Offending Services Inspection in Denbighshire and Conwy. The report will be published shortly.</p>	<p>Awaiting publication</p>	<p>Awaiting publication</p>

Audit Wales national reports and other outputs published since March 2023

Report title	Publication date and link to report
Supporting Ukrainians in Wales	March 2024
From firefighting to future-proofing – the challenge for Welsh public services	February 2024
Betsi Cadwaladr University Health Board – board effectiveness follow up	February 2024
Local Government Financial Sustainability Data tool update uses data from the draft 2022-23 accounts	January 2024
Planning for sustainable development – Brownfield regeneration	January 2024
Corporate Joint Committees – commentary on their progress	November 2023
Governance arrangements relating to an employment dispute at Amgueddfa Cymru – National Museum Wales	November 2023
Failures in financial management and governance and losses incurred – Harlech Community Council	November 2023
Putting out the false alarms: Fire and Rescue Authorities’ responses to Unwanted Fire Signals	October 2023
Covering teachers’ absence – follow-up (letter to the Public Accounts and Public Administration Committee)	October 2023
NHS workforce – data briefing	September 2023

Report title	Publication date and link to report
Income Diversification for National Park Authorities in Wales	September 2023
Approaches to achieving net zero across the UK	September 2023
Springing Forward: Lessons learnt from our work on workforce and assets (in local government)	September 2023
NHS finances data tool – to 31 March 2023	September 2023
Public interest reports – Ammanford Town Council and Llanferres Community Council	September 2023
Cwm Taf Morgannwg University Health Board – Quality Governance Arrangements Joint Review Follow-up	August 2023
'Cracks in the Foundations' – Building Safety in Wales	August 2023
Maximising EU funding – the Structural Funds Programme and the Rural Development Programme	June 2023

Audit Wales national reports and other outputs (work in progress / planned)^{1, 2}

Title	Indicative publication date
Findings from community pharmacy data matching pilot	April 2024
A465 Section 2 – update	May 2024
Financial management and governance in town and community councils	May – June 2024
Local government digital strategy review – national summary	June 2024
Local government use of performance information, outcomes and service user perspective – national summary	June 2024
Affordable housing	Summer 2024
Active travel	Summer 2024
NHS finances data tool – to 31 March 2024	Summer 2024

¹ We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. Follow up work could also lead to other outputs, as may other local audit work where we consider there is merit in a national summary output of some kind.

² We have also published to our website a paper – [Our work programme for 2023-2026](#) – that provides additional detail about our national work (including local thematic reviews). In addition to new work that we will be taking forward in 2023-24, the paper includes details about indicative topics for work to start in 2024-24 or 2025-26. We have recently identified plans for new areas of work to start during 2024-25 in our Annual Plan 2024-25.

Title	Indicative publication date
NHS workforce planning (national messages)	Summer 2024
Cancer services	Late summer 2024
Findings from GP registration data matching pilot	Late summer 2024
National Fraud Initiative – bi-ennial report	Autumn 2024
Addressing biodiversity decline (pan-public sector and at Natural Resources Wales)	Pan-public sector review – autumn 2024 NRW to be confirmed (scoping)
Welsh Government capital and infrastructure investment	Late autumn 2024
Findings from sustainable development examinations (statutory report under the WFG Act)	By early May 2025
The senior public service	Scoping underway, delivery planned early summer
Challenges for the cultural sector	To be confirmed (scoping)
Rebalancing care and support	To be confirmed (scoping)
Tackling NHS waiting lists (local audit work at health boards)	To be confirmed (local work at each Health Board starting in May 2024)

Title	Indicative publication date
Access to education for children with Additional Learning Needs	To be confirmed (scoping)
Velindre Cancer Centre	To be confirmed (scoping)
Further and higher education funding and oversight – Commission for Tertiary Education and Research	To be confirmed (scoping)
Support for business	To be confirmed (starting in 2024-25)
Support for bus and rail services	To be confirmed (starting in 2024-25)
Progress with investment in school and college buildings through the Sustainable Communities for Learning Programme	To be confirmed (starting in 2024-25)
NHS bodies' approaches to digital transformation (local audit work)	To be confirmed (starting in 2024-25)

Good Practice Exchange events and resources

Title	Link to resource
<p>Audit Committees: 'What does good look like?'</p> <p>R&D work to understand the broad audit committee landscape across all sectors in Wales. Outputs to support Good Practice Exchange events and potential future audit work.</p>	<p>R&D work Sept – Dec 2023</p> <p>Good Practice Event Spring 2024</p>

Title	Link to resource
<p>Audit Committees: Effective practices and a positive impact</p> <p>Good governance arrangements are a critical part of how public service organisations function effectively and deliver value for money services for the citizens and communities of Wales. Audit Committees are one of the foundation stones that support good governance. With significant current and future pressures on public sector finances, there is an increasing need for effective practices and a positive impact. Audit Committees play a vital role in this. This event provides an opportunity to share experiences, learn, and network with peers across the public sector in Wales.</p>	<p>Register for this event – Audit Committees: effective practices and a positive impact – Cardiff City Stadium, Wed 22 May 2024 10:00 AM - 3:30 PM (tickettailor.com)</p>
<p>The Good Practice Exchange – Our yearly round up of events and resources</p>	<p>December 2023</p>

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
Date	27 June 2024
Subject	Review of Forward Work Programme for 2024-25
Head of Service	Marc Jones Director of Function (Resources) and Section 151 Officer MarcJones@anglesey.gov.wales
Report Author	Marion Pryor Head of Audit and Risk MarionPryor@anglesey.gov.wales
Nature and Reason for Reporting A Forward Work Programme for 2024-25 is provided to the members of the Governance and Audit Committee to assist them in fulfilling the Committee's Terms of Reference.	

1.0 INTRODUCTION

- 1.1 A Forward Work Programme is attached at [Appendix A](#), along with a training programme at [Appendix B](#).
- 1.2 The programme has been developed considering the Committee's terms of reference and its responsibilities under the Local Government and Elections (Wales) Act 2021.

2.0 RECOMMENDATION

- 2.1 That the Governance and Audit Committee:
 - considers whether the Forward Work Programme proposed for 2024-25 meets the Committee's responsibilities in accordance with its terms of reference.

Appendix A – Forward Work Programme 2024-25

Core Function	27 June 2024	18 July 2024	19 September 2024	05 December 2024	11 February 2025	May 2025
Composition and arrangements (3.4.8.2)	Review of Committee’s Terms of Reference (3.4.8.2.1)					Annual Review of Committee’s Terms of Reference (3.4.8.2.1) Private meeting with internal and external audit without officers present (3.4.8.2.6) (3.4.8.10.15) (3.4.8.11.5)
Accountability arrangements (3.4.8.3)	Action Log Review of Forward Work Programme 2024-25 (3.4.8.3.2) Annual Chair’s Report 2023-24 (3.4.8.3.1/2) Update on the Governance and Audit Committee Effectiveness Review Action Plan (3.4.8.3.2)	Review of Forward Work Programme 2024-25 and Action Log (3.4.8.3.2)	Review of Forward Work Programme 2024-25 and Action Log (3.4.8.3.2)	Review of Forward Work Programme 2024-25 and Action Log (3.4.8.3.2)	Review of Forward Work Programme 2024-25 and Action Log (3.4.8.3.2)	Review of Forward Work Programme 2024-25 and Action Log (3.4.8.3.2)
Governance (3.4.8.4)		Draft Annual Governance Statement 2023-24		Final Annual Governance		

Core Function	27 June 2024	18 July 2024	19 September 2024	05 December 2024	11 February 2025	May 2025
		(3.4.8.4.1/2/3) (3.4.8.6.1/2/3) (3.4.8.8.2)		Statement 2023-24 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) (3.4.8.8.2) Annual Report of the Partnership and Regeneration Scrutiny Committee 2023-24 (3.4.8.4.4) (provisional)		
Treasury Management (3.4.8.5)			Annual Report 2023-24 (3.4.8.5.1/2/3/4)	Mid-year Report (3.4.8.5.3)	Strategy and Prudential Indicators 2025-26 (3.4.8.5.1/3/4)	
Value for money (3.4.8.6)	<i>Annual Internal Audit Report 2023-24</i> (3.4.8.10.6/7/8/9/12/14/15) (3.4.8.6.3)	<i>Draft Annual Governance Statement 2023-24</i> (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) <i>Draft Statement of Accounts 2023-24</i> (3.4.8.12.1/2) (3.4.8.6.1/2/3)		<i>Final Annual Governance Statement 2023-24</i> (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) <i>Final Statement of Accounts 2023-24</i> (3.4.8.12.1/2) (3.4.8.6.1/2/3) <i>Audit of Accounts Report</i> (3.4.8.11.2/3) (3.4.8.6.3)	<i>Annual Audit Summary 2024</i> (3.4.8.11.2/3) (3.4.8.6.3)	
Assurance Framework (3.4.8.7)			Annual Information Governance (SIRO) Report 2023-24 (3.4.8.7.1/2/3)	Annual Information Governance in Schools Report		

Core Function	27 June 2024	18 July 2024	19 September 2024	05 December 2024	11 February 2025	May 2025
			Annual ICT Security Report 2023-24 (3.4.8.7.1/2/3) Annual Health & Safety Report 2023-24 (3.4.8.7.1/2/3)	2023-24 (3.4.8.7.1/2/3) Annual Insurance Report 2023-24 (3.4.8.7.1/2/3)		
Risk Management (3.4.8.8)			Climate Change Update (3.4.8.8.3) (provisional)	Strategic Risk Register Update (3.4.8.7.1/2) (3.4.8.8.1)		Annual Review of Risk Management Framework (3.4.8.7.1/2) (3.4.8.8.1) Strategic Risk Register Update (3.4.8.7.1/2) (3.4.8.8.1)
Countering Fraud and Corruption (3.4.8.9)		Annual Counter Fraud, Bribery and Corruption Report 2023-24 (3.4.8.9.4/5/6) National Fraud Initiative 2022-24 Outcomes – Progress Report (3.4.8.9.6)	<i>Annual Concerns, Complaints & Whistleblowing Report 2023-24</i> (3.4.8.9.1) (3.4.8.14.2)		Review of Counter Fraud, Bribery and Corruption Strategy 2025-28 (3.4.8.9.2/3)	
Internal Audit (3.4.8.10)	Annual Internal Audit Report 2023-24	Internal Audit Update Report (3.4.8.10.9/10)	Internal Audit Update Report (3.4.8.10.9/10)	Internal Audit Update Report (3.4.8.10.9/10)	Internal Audit Update Report (3.4.8.10.9/10)	Internal Audit Update Report (3.4.8.10.9/10)

Core Function	27 June 2024	18 July 2024	19 September 2024	05 December 2024	11 February 2025	May 2025
	(3.4.8.10.5/6/7/8/11/14/15) (3.4.8.6.3) Internal Assessment of Conformance with the Public Sector Internal Audit Standards (3.4.8.10.1/8/11/13)	(3.4.8.6.3)	(3.4.8.6.3) Outstanding Issues/Risks (3.4.8.10.9/10)	(3.4.8.6.3)	(3.4.8.6.3)	(3.4.8.6.3) Outstanding Issues/Risks (3.4.8.10.11) Annual Internal Audit Strategy 2025-26 (3.4.8.10.1/2/4/5) Review of Internal Audit Charter (3.4.8.10.2/12)
External Audit (3.4.8.11)	Work Programme and Timetable – Quarterly Update (Q4 2023) (3.4.8.11.2/3) Outline Annual Audit Plan 2024 (3.4.8.11.1/3)	Detailed Annual Audit Plan 2024 (3.4.8.11.1/3)	Work Programme and Timetable – Quarterly Update (Q1 2024) (3.4.8.11.2/3)	Work Programme and Timetable – Quarterly Update (Q2 2024) (3.4.8.11.2/3) Audit of Accounts Report (3.4.8.11.2/3) (3.4.8.6.3) (3.4.8.12.4)	Work Programme and Timetable – Quarterly Update (Q3 2024) (3.4.8.11.2/3) Annual Audit Summary 2024 (3.4.8.11.1/2/3) (3.4.8.6.3)	Work Programme and Timetable – Quarterly Update (Q4 2024) (3.4.8.11.2/3)
Financial Reporting (3.4.8.12)		Draft Statement of Accounts 2023-24 (3.4.8.12.1/2/3/5) (3.4.8.6.1/2/3)		Final Statement of Accounts 2023-24 (3.4.8.12.1/2/3/5) (3.4.8.6.1/2/3)		
Other regulators and inspectors (3.4.8.13)				National Reviews and their Related Recommendations (3.4.8.13.1)		

Core Function	27 June 2024	18 July 2024	19 September 2024	05 December 2024	11 February 2025	May 2025
Complaints Handling (3.4.8.14)			Annual Concerns, Complaints & Whistleblowing Report 2023-24 (3.4.8.14.1/2) Annual Letter of the Public Services Ombudsman for Wales 2023-24 (3.4.8.14.1)			
Self-assessment (3.4.8.15)		Review of the Draft Annual Corporate Self-assessment report 2023-4 (3.4.8.15.1/2/3)				
Performance Panel Assessment (3.4.8.16) ¹						
Auditor General Special Inspection (3.4.8.17) ²						

¹ At least once during an electoral cycle a panel performance assessment will take place in the period between ordinary elections of councillors to the council. The council may choose to commission more than one panel assessment in an electoral cycle, but it is not a requirement of the legislation. (The Local Government and Elections (Wales) Act 2021). The council must make a draft of its response to the panel performance assessment available to its Governance and Audit committee, which must then review the draft response and may make recommendations for changes to the response to the panel assessment.

² If the Auditor General carries out a special inspection (as it considers the Council is not, or may not, be meeting its performance requirements, and a report is sent to Council, as soon as reasonably practicable after receiving such report, the Council must make it available to the Governance and Audit Committee.

Appendix B – Training Programme (3.4.8.2.10)

Committee-specific training

Area	Date last provided	Medium	Provider	Date provided / scheduled	Attendance
Understanding Local Authority Accounts for Councillors	June 2023 August 2023				
Treasury Management (3.4.8.5.2)	September 2023				
Effective Chairing Skills	October 2023				
Countering Fraud and Corruption	December 2023				
Risk Management	March 2024				

Mandatory training

Area	Medium	Provider	Date Provided / Scheduled
General Data Protection Regulations (GDPR)	eLearning	Internal	Available any time
Cyber Ninjas for Councillors ³	eLearning	Internal	Available any time
Basic Safeguarding Awareness (Group A)	eLearning	Internal	Available any time
Violence Against Women, Domestic Abuse and Sexual Violence (optional for lay members)	eLearning	Internal	Available any time
Prevent (optional for lay members)	eLearning	Internal	Available any time
Modern Slavery (optional for lay members)	eLearning	Internal	Available any time

³ The licence for this module has come to an end. The Council is in the early stage of extending the licence by means of grant-funding.

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