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CYNGOR SIR  
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ISLE OF ANGLESEY  
COUNTY COUNCIL

Mr Dylan J. Williams  
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RHYBUDD O GYFARFOD	NOTICE OF MEETING
PWYLLGOR LLYWODRAETHU AC ARCHWILIO	GOVERNANCE AND AUDIT COMMITTEE
DYDD IAU, 26 MEHEFIN 2025 am 2:00 y. p.	THURSDAY, 26 JUNE 2025 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, 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**

Paul Ellis, Kenneth Hughes

## **AELODAU LLEYG / LAY MEMBERS**

Dilwyn Evans (***Chair***), William Parry, 2 x vacant seats

*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 APOLOGIES**

To receive any apologies for absence.

### **2 DECLARATION OF INTEREST**

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

### **3 MINUTES OF THE PREVIOUS MEETING (Pages 1 - 10)**

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

- 8 May 2025
- 20 May 2025 (election of Chair/Deputy Chair)

### **4 GOVERNANCE AND AUDIT COMMITTEE ACTION LOG (Pages 11 - 14)**

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

### **5 TO NOMINATE A LAY MEMBER TO THE GOVERNANCE AND AUDIT COMMITTEE OF THE NORTH WALES CORPORATE JOINT COMMITTEE (Pages 15 - 24)**

To present the report of the Director of Function (Council Business)/ Monitoring Officer.

### **6 ANNUAL SCRUTINY REPORT 2024/25 (Pages 25 - 64)**

To present the report of the Director of Function (Council Business)/ Monitoring Officer.

### **7 ANNUAL REPORT OF THE GOVERNANCE AND AUDIT COMMITTEE 2024/25 (Pages 65 - 88)**

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

### **8 INTERNAL AUDIT ANNUAL REPORT 2024/25 (Pages 89 - 108)**

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

### **9 INTERNAL AUDIT CHARTER (Pages 109 - 124)**

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

### **10 INTERNAL AUDIT STRATEGY AND PLAN 2025/26 (Pages 125 - 142)**

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

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**11      EXTERNAL AUDIT: DETAILED AUDIT PLAN 2025** (Pages 143 - 168)

To present the report of Audit Wales.

**12      REVIEW OF FORWARD WORK PROGRAMME** (Pages 169 - 178)

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

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## GOVERNANCE AND AUDIT COMMITTEE

### Minutes of the meeting held in the Committee Room and on Zoom on 8 May, 2025

<b>PRESENT:</b>	Mr Dilwyn Evans (Lay Member) (Chair) Councillor Euryn Morris (Deputy Chair)  Councillors Geraint Bebb, Kenneth Hughes, Keith Roberts, Margaret M. Roberts, Ieuan Williams.  Lay Members: William Parry.
<b>IN ATTENDANCE:</b>	Director of Function (Resources) and Section 151 Officer Director of Education, Skills and Young People (for item 4) Head of Internal Audit & Risk (MP) Head of Housing Services (for item 4) Head of Profession (HR) and Transformation (for item 3) Corporate Planning, Performance and Programme Manager (GP) (for items 7 & 8) Principal Auditor (NW) Committee Officer (ATH) Webcasting Officer (FT)
<b>APOLOGIES:</b>	Councillor Aled M. Jones.
<b>ALSO PRESENT:</b>	Councillor Robin Williams (Deputy Leader & Portfolio Member for Finance and Housing), Alan Hughes (Performance Audit Lead – Audit Wales), Supporting Families Unit Manager (Social Services) (BHJ), Primary Senior Manager (Education) (OTD), Accountancy Services Manager (BHO) (IoACC), Senior Auditor (AL) (IoACC).

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The Chair welcomed Councillor Kenneth Hughes to his first meeting of the Governance and Audit Committee.

#### 1. DECLARATION OF INTEREST

Mr Dilwyn Evans declared a personal interest only in relation to the reference in the minutes under item 2 on the agenda as well as in item 3, concerning the Council's collaboration with local and regional colleges due to his role as a member of the Board of Governors of Grwp Llandrillo Menai.

Marion Pryor, Head of Audit and Risk also declared a personal interest only regarding the reference in the minutes under item 2 on the agenda and in item 3 pertaining to the Council's collaboration with local and regional colleges as a member of the Board of Governors of Grwp Llandrillo Menai and Chair of its Audit and Risk Committee.

#### 2. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meetings of the Governance and Audit Committee held on 11 February 2025 were presented and were confirmed as correct.

### 3. GOVERNANCE AND AUDIT COMMITTEE ACTION LOG

The report of the Head of Audit and Risk incorporating the committee action log was presented for consideration. The report updated the Committee on the status and progress of the actions and decisions it had agreed upon.

The following additional updates were provided orally at the meeting –

- The Head of Profession (HR) and Transformation reported on the benefits of the Council's collaboration with local and regional colleges particularly its role in addressing recruitment and skills needs as well as filling vacancies (item 21 on the action log). She informed the committee that the Council has a memorandum of understanding with Grŵp Llandrillo Menai and has been working extensively with the Grŵp over the last eighteen months.

Next month, the Council will launch a "Step into Work" initiative in partnership with Grŵp Llandrillo Menai. This initiative will provide five young persons with no prior work experience the opportunity to work in the Council initially for one day per week giving them exposure to practical roles they may not have otherwise considered.

Through Grŵp Llandrillo Menai the Council offers a rolling apprenticeship programme with nine apprentices currently working within Housing Services which has a close relationship with the grŵp. Additionally, the Council collaborates with Bangor University on the MA Social Work programme which currently has twelve participants and serves as a key channel for social worker recruitment. The Council has also relaunched its graduate scheme, recently advertising three available roles in 2025. Furthermore, it has actively engaged in workforce planning sessions led by the Local Government Association.

The Head of Profession (HR) and Transformation also referred to the Council's Attracting Talent Programme which offers paid work experience during the summer months. The programme was especially successful last year when three of the five placements in Social Services resulted in permanent appointments within the care services. While there are plans to shift the programme's focus to another service area, the ongoing recruitment challenges in social services mean its continued emphasis on that area remains valuable.

The Head of Profession (HR) and Transformation noted that colleges can only sustain courses and programmes if they attract a sufficient number of participants which is something that the Council as a smaller authority, cannot always guarantee. In response to questions about remaining recruitment gaps, she acknowledged that the legal services department is currently facing challenges. Given its size, the department lacks capacity to support long-term development and potential solutions are being explored.

- The Director of Function (Resources)/Section 151 Officer reported on the income/savings generated by the installation of solar panels on council buildings through Salix funding (item 22 on the action log). Information provided by the Property Services department shows that since 2020, 45 solar energy projects have been completed at a total cost of £1.6m funded by interest free Salix loans. These projects commenced at different times over the past five years and the electricity generated is estimated at 3.49GW which, at current values, equates to £700,000. Regarding the Council's main office building, the Section 151 Officer highlighted that the solar panel system installed in October 2020 at a cost of £78,000 has so far generated 266,000 KW of electricity, valued at £56,000. If this rate of electricity generation continues, the system is expected to break even by 2027. Given the solar panels' lifespan of 25 years, this would result in 18 years of reduced energy costs for the Council. Further analysis is ongoing and an additional report can be

provided upon request. It was noted that Salix loans will no longer be offered interest free in future and will instead carry an interest rate of 2.5%. However, the Council has successfully secured additional interest free loans amounting to £400,000 which will be allocated to energy saving initiatives.

The Head of Audit and Risk noted in relation to item 10 on the action log that the Quod Anglesey socio-economic analysis and impact report has been completed but has yet to be published. She confirmed that item 23 had been completed and stated that the remaining items on the log are not scheduled for completion until later in the year.

**It was resolved to note the actions detailed in the action log table and to confirm that the Committee is content that the actions have been implemented to its satisfaction.**

#### **4. INTERNAL AUDIT UPDATE**

The report of the Head of Audit and Risk providing an update as at 31 March, 2025 on the audits completed since the previous update as at 31 January 2025 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 assurance reports finalised in the period in relation to Destination – Maritime Team: Income Processes (First Follow Up) (Reasonable Assurance), Payment Card Industry Data Security Standards (Reasonable Assurance), Early Education and Childcare Grant Programmes (Reasonable Assurance), Management of the Council's Physical Assets (YM14) (Reasonable Assurance), Disabled Facilities Grants (First Follow Up) (Limited Assurance) and Recovery Of Council Tax, Non-Domestic Rates and Sundry Debts (Second Follow Up) (Limited Assurance).

The Head of Audit and Risk provided an overview of the four audit reports completed during the period which offered reasonable assurance. In response to a query, she clarified that the internal audit approach focuses on raising issues and risks rather than making recommendations, with management agreeing on actions plans to address identified concerns. Regarding the two limited assurance audit reviews, she reported that while progress has been made in the Disabled Facilities Grant first follow up review, several weaknesses remain which require further action to ensure a robust and accountable DFG process. A further formal follow up review will be undertaken in October 2025 to ensure that the remaining issues have been addressed and to assess the effectiveness of improvements. On the Recovery of Council Tax, Non Domestic Rates and Sundry Debts second follow up review, she highlighted that the service had made further progress since the original 2023 review including system enhancements, increased management oversight and regular Council Tax and NDR debt assessment. However, substantial older debts remain unresolved which will be difficult to address without additional resources. A full review of the revised recovery process will be included in the Internal Audit Strategy and Plan for 2025/26.

The committee considered the two limited assurance review reports and the following matters were raised –

- Concerns were expressed about the effectiveness of the DFG process, particularly the prolonged timeline for delivering agreed housing adaptation works. A specific case was cited which highlighted that it took nearly two years to confirm the necessity of housing adaptations and approve the grant, followed by more than a year to complete the agreed works. The extended delay significantly impacted the quality of life of the affected client. Assurances was sought that steps are being taken to improve delivery timeframes.

The Head of Audit and Risk explained that the audit review identifies the need to align the Council's current DFG key performance indicators with Welsh Government's Housing Adaptations Service Standards expected timeframes. These define three key stages in the adaptations process - initial contact, confirmation of adaptation as necessary, and installation providing a full end to end review. The Council's current KPI only captures the average time taken in the final installation stage. The Head of Housing Services noted that alongside challenges with contractor availability the Housing Adaptations Team has reduced from five to one member of staff over recent years due to efficiency measures. While additional support has helped advance the DFG process, further improvements are necessary. He expressed confidence that these improvements would be achieved with the limited assurance opinion serving as motivation for continued progress.

- Whether the issues/risks identified in the DFG audit follow up review stem from systemic shortcomings or non-compliance with established processes. Reference was made to missing legal safeguards relating to the recording of grants to owner occupiers on the local land charges register or as a restriction on the Land Registry potentially leading to financial losses.

The Head of Audit and Risk clarified that, specifically regarding the legal safeguards, the review found that the proper processes are in place but are not being followed, contributing to the risk.

- Whether the DFG adaptation process has overarching project management to expedite delivery within the set timeframes and ensure efficient capital spend.

The Head of Housing Services clarified that one officer is responsible for assessing whether each grant application is reasonable and appropriate, while the Gofal a Thrwsio agency oversees the management of individual adaptation installation projects.

The Director of Function (Resources)/Section 151 Officer responding to the limited assurance second follow up review of the Recovery of Council Tax, Non Domestic Rates and Sundry Debts said that most efforts since the original review in 2023 have focused on improving processes to ensure prompt debt handling and to prevent the long-term accumulation of debts. However, without addressing the backlog of older debts it remains difficult to determine the success of these improvements. In order to tackle this issue, the Executive has approved an additional resource to assess recovery options. The Section 151 Officer outlined the different processes for recovering sundry debts and Council Tax debts and he clarified that while the council collects non-domestic rates, these are pooled centrally meaning that any losses from non-payment are absorbed by the pool rather than the council. Additionally, with Welsh Government's removal of committal powers for Council Tax arrears, the council will explore all available enforcement methods before writing off debts. The Section 151 Officer advised the committee that although progress has been made tangible results will take time. In response to a query about the timeframe, he noted that the authority's council tax collection performance compares well with that of other local councils. Council tax arrears are a widespread issue, exacerbated by factors such as the cost of living crisis. He confirmed that the impact of the additional resource will be evaluated in six months with a report presented in twelve months.

- The committee queried whether councils in Wales should be making representations to Welsh Government to reconsider the removal of committal powers given the significant impact of unpaid council tax on council budgets.

The Director of Function (Resources)/Section 151 Officer advised that Welsh councils did raise concerns when the policy was changed and while Welsh Government promised a



review along with additional powers for councils these have yet to materialise. However, a further consultation is in the offing. The Section 151 Officer assured the committee that writing off debt is a last resort and that the council actively pursues alternative recovery methods. Currently, the council successfully collects over 99% of Council Tax annually. In response to queries about bad debt provision and whether recovery efforts should target the three service areas with the highest accumulated debts, the Section 151 Officer outlined the Council's approach to bad debt management and detailed the nature of debts within these services along with the challenges in recovering them.

In reviewing the remaining assurance reports presented, the committee raised concerns on the audit review of Childcare and Welsh Medium Education Provision, specifically regarding the Council's failure to enable all non-maintained settings to claim Early Education funding and Flying Start funding. The Director of Education, Skills and Young People assured the committee that the action plan agreed with Internal Audit would be implemented promptly and practices reviewed under the direction of the Primary Education Sector Manager to ensure that the Council meets all necessary requirements. The committee will receive an update in due course.

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

## **5. OUTSTANDING INTERNAL AUDIT ISSUES, RISKS AND OPPORTUNITIES**

The report of the Head of Audit and Risk which provided an update on the status of the outstanding issues, risk and opportunities that Internal Audit has raised was presented for the committee's consideration.

The Principal Auditor presented the report offering an overview of its key points. As of 31 March 2025, fifty-two outstanding actions were being tracked, with eight assessed as "major" (amber) and forty-four as "moderate" (yellow) risks. A detailed analysis of the current status of the outstanding major related issues, risks and opportunities was provided at Appendix 1 to the report.

There were no questions by the committee on the contents of the report.

**Having considered the report, the Governance and Audit Committee resolved to accept the Council's progress in addressing the outstanding Internal Audit issues/risks/opportunities as satisfactory.**

## **6. REVIEW OF THE GOVERNANCE AND AUDIT COMMITTEE'S TERMS OF REFERENCE AND COMPLIANCE WITH NEW STANDARDS**

The report of the Head of Audit and Risk incorporating revised Terms of Reference for the Governance and Audit Committee was presented for the committee's consideration and endorsement.

The Head of Audit and Risk reported that since the last review in June 2024, the Institute of Internal Auditors has issued new Global Internal Audit Standards (GIAS) replacing the previous Public Sector Internal Audit Standards (PSIAS). For the UK public sector, an Application Note has been released to provide guidance on implementation. Additionally, CIPFA has introduced a new Code of Practice for the governance of Internal Audit in UK Local Government designed to align with the new global standards. By following the Code, the Council can ensure that the governance of internal audit meets the expectations of GIAS in the UK public sector. As the Council will be required to explain its compliance with the Code in its annual governance statement, a comparison of the committee's Terms of Reference has been conducted to ensure that the requirements of the Code are recognised

in the relevant sections of the committee's Terms of Reference. The report summarises the Code's provisions, the Council's current position and any consequent revisions. If approved by the committee, the Monitoring Officer will be able to amend the Constitution under delegated powers.

**It was resolved to approve the committee's revised Terms of Reference as presented, confirming that the committee is content that they meet the requirements of the CIPFA Code of Practice for the Governance of Internal Audit in UK Government.**

## **7. EXTERNAL AUDIT: ISLE OF ANGLESEY COUNTY COUNCIL ANNUAL AUDIT SUMMARY 2024**

Audit Wales's Annual Audit Summary 2024 for the Isle of Anglesey County Council was presented for the committee's information. The summary report provided an overview of the audit work completed at the Council over the year.

The report was presented by Mr Alan Hughes, Audit Wales Performance Audit Lead who highlighted the main points.

Regarding Audit Wales's review of the Council's financial sustainability conducted in 2024, the committee reaffirmed its position from the last meeting, when the full review report was discussed. The committee emphasised that effective longer term financial planning can be difficult for this and other councils without the certainty of extended funding commitments rather than year to year settlements. Furthermore, unforeseen events and global factors such as political changes and economic shocks can disrupt even carefully devised plans.

Mr Alan Hughes noted that Audit Wales acknowledges the challenges posed by short term funding arrangements, highlighting that Welsh Government faces similar constraints due to its annual budget allocation from the UK Government. However, the Council can strengthen its future strategy by making the most of available information and assessing emerging trends and prospects and by taking an adaptive approach ensuring that it maintains a safe distance from a financial tipping point.

**It was resolved to note the assurance provided by the Annual Audit Summary 2024.**

## **8. EXTERNAL AUDIT: AUDIT WALES WORK PROGRAMME AND TIMETABLE Q3 AND Q4 2024/25 UPDATES**

The Audit Wales report, which updated the committee on the progress of its work programme both locally and nationally as of 31 December 2024 (Q3) and 31 March 2025 (Q4) was presented for the Committee's information. The report also provided an overview of ongoing regulatory work by Estyn and CIW.

Mr Alan Hughes, Audit Wales's Performance Audit Lead presented the report focusing on the Quarter 4 position and brought the committee up to date on the financial audit work in relation to the 2024/25 Statement of Accounts and certification of grant returns. He also briefed the committee on the status of 2024/25 performance audit work as well as national studies that are planned and in progress.

**It was resolved to note the assurance provided by Audit Wales's Q3 and Q4 2024/25 Work Programme and Timetable update reports.**

## **9. REVIEW OF FORWARD WORK PROGRAMME**

The report of the Head of Audit and Risk incorporating a Forward Work Programme and Development Programme for 2025/26 was presented for the Committee's consideration.

The Head of Audit and Risk asked members to contact her should they have any specific development and/or training needs.

Following the briefing session held prior to the committee's meeting in February on the opportunities and risks associated with Artificial Intelligence (AI), the Chair enquired whether the Council is aware of how AI is currently used within the organisation. The Chair suggested that the Council may wish to consider introducing policy guidance to ensure that AI is used appropriately and effectively. Following discussion, it was agreed that the matter be brought to the attention of the Leadership Team.

**It was resolved to accept the Forward Work Programme proposed for 2025/26 as meeting the Committee's responsibilities in accordance with its terms of reference.**

**Additional action – to ask the Director of Function (Resources)/Section 151 Officer to raise the issue of policy guidance on AI usage within the Council with the Leadership Team.**

**Mr Dilwyn Evans  
(Chair)**

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## **GOVERNANCE AND AUDIT COMMITTEE**

### **Minutes of the hybrid meeting held on 20 May, 2025**

- PRESENT:** Councillors Geraint Bebb, Kenneth P Hughes, Aled M Jones, Eurn Morris, Keith Roberts and Ieuan Williams
- Lay Member – Mr Dilwyn Evans
- IN ATTENDANCE:** Director of Function (Council Business)/Monitoring Officer, Head of Democracy, Committee Officer (MEH)
- APOLOGIES:** Councillor T LI Hughes MBE and Margaret M Roberts
- ALSO PRESENT:** Councillor Non Dafydd – Chair of the Isle of Anglesey County Council
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#### **1 DECLARATION OF INTEREST**

None received.

#### **2 ELECTION OF CHAIRPERSON**

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

The Chair wished to express his sympathy to the family of Mrs Sharon Warnes, Lay-Member who passed away recently. He paid tribute to Mrs Warnes for her contribution to the Governance and Audit Committee.

#### **3 ELECTION OF DEPUTY CHAIRPERSON**

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

**COUNCILLOR NON DAFYDD  
AS CHAIR OF THE COUNTY COUNCIL**

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ISLE OF ANGLESEY COUNTY COUNCIL	
<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	26 June 2025
<b>Subject:</b>	Governance and Audit Committee Action Log
<b>Head of Service:</b>	Marc Jones Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
<b>Report Author:</b>	Marion Pryor Head of Audit and Risk <a href="mailto:MarionPryor@anglesey.gov.wales">MarionPryor@anglesey.gov.wales</a>
<b>Nature and Reason for Reporting:</b> 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. This action log is updated prior to 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
10	27/06/24	9	Monitoring the number of people in economic inactivity be included as part of the Council's population trends dataset.	Corporate Planning and Performance Manager	The Council has completed a socio – economic analysis of the island's population, this includes economic inactivity, a report for the north Anglesey region was presented to the <a href="#">Executive in July 2024</a> .  A report for the whole island is also in progress and will be published shortly.	In progress.
	05/12/24	3			UPDATE: At its meeting of the 5 December 2024 (Item 3), the Corporate Planning, Performance and Programme Manager agreed to provide the committee with a link to access the Quod Anglesey socio-economic analysis and impact report when published.	
	08/05/25	3			UPDATE: At its meeting of 8 May 2025, Head of Audit and Risk provided an update from the Corporate Planning, Performance and Programme Manager that the Quod Anglesey socio-economic analysis and impact report has been completed but has yet to be published.	



No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
16	19/09/24	5	The Annual Concerns, Complaints and Whistleblowing Report for 2024/25 to the Committee to include salient information regarding Social Services service user concerns and complaints.	Director of Function (Council Business) / Monitoring Officer		Next report due July 2025.
18	19/09/24	6	The Annual Treasury Management report to be reviewed to ensure tense consistency and clarity.	Director of Function (Resources) / Section 151 Officer	Will be reviewed when drafting the next report.	Next report due September 2025.
19	05/12/24	5	The Committee to be provided in due course with an update on the progress of the identified measures to provide resolutions.	Director of Function (Council Business) / Monitoring Officer	Concerns raised by a service regarding the CRM will require further adaptations, but the capacity to implement them are currently limited. The unfilled position may also limit a meaningful update. A progress update will therefore be provided in the next annual complaints report, in July 2025, allowing the Committee to receive information before the next annual PSOW letter.	Next report due July 2025.
20	05/12/24	11	For future external audit and regulator monitoring reports, updates on the progress of responses to recommendations be accompanied by a timescale for the completion of the work.	Corporate Planning and Performance Manager		Next report due December 2025.

No.	Date of Meeting	Agenda Item	Action	Action Owner	Action Taken	Status
21	11/02/25	4	To request the Council to consider examining the benefits that working collaboratively with local and regional colleges has delivered in terms of enabling the Council to meet its recruitment and skills needs and fill vacancies.	Head of Profession HR and Transformation	The Head of Profession (HR) and Transformation reported on the benefits of the Council's collaboration with local and regional colleges particularly its role in addressing recruitment and skills needs as well as filling vacancies, at its meeting of 8 May 2025.	Complete.
22	11/02/25	6	The Committee to be provided with information about the income / savings which the installation of solar panels on Council buildings using Salix funding is projected to generate.	Director of Function (Resources) / Section 151 Officer	The Director of Function (Resources)/Section 151 Officer reported on the income/savings generated by the installation of solar panels on council buildings through Salix funding at the Committee's meeting of 8 May 2025.	Complete.
24	08/05/25	9	The Director of Function (Resources)/Section 151 Officer to raise the issue of policy guidance on AI usage within the Council with the Leadership Team.	Director of Function (Resources) / Section 151 Officer	A policy has been drafted, and recently updated following comments made by the Data Protection Officer. Leadership Team will consider and adopt when they can allocate a slot.	In progress.

<b>CYNGOR SIR YNYS MON / ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>MEETING:</b>	<b>Governance and Audit Committee</b>
<b>DATE:</b>	<b>26/06/2025</b>
<b>TITLE OF REPORT:</b>	<b>To nominate a lay member to the Governance and Audit Committee of the North Wales Corporate Joint Committee</b>
<b>PURPOSE OF THE REPORT:</b>	<b>To support the governance arrangements of the North Wales Corporate Joint Committee</b>
<b>REPORT BY:</b>	<b>Director of Function (Council Business) / Monitoring Officer</b>
<b>CONTACT OFFICER:</b>	<b>Director of Function (Council Business) / Monitoring Officer</b>

## 1. RECOMMENDATION

- 1.1 To nominate a lay member to the Governance and Audit Committee of the North Wales Corporate Joint Committee

## 2. INTRODUCTION / BACKGROUND

- 2.1 The North Wales Corporate Joint Committee was established on 30/06/2022.
- 2.2 The Corporate Joint Committee includes representation from the six regional principal councils and is now exercising its statutory duties in relation to strategic planning, transportation and economic development.
- 2.3 The Corporate Joint Committee is establishing corporate governance arrangements. Work is ongoing in relation to scrutiny and standards, but the six regional county councils have made nominations to the Corporate Joint Committee's Governance and Audit Committee.

## 3 INFORMATION RELEVANT TO THE COMMITTEE'S DECISION

- 3.1 The North Wales Corporate Joint Committee Regulations 2021 provided for the creation of the Corporate Joint Committee in accordance with the provisions of the Local Government and Elections (Wales) Act 2021.
- 3.2 The Local Government (Wales) Measure 2011 provided that every principal council in Wales must have an Audit Committee. These committees were later renamed as Governance and Audit Committees under the Local Government and Elections (Wales) Act 2021.

- 3.3 The North Wales Corporate Joint Committee Regulations 2021 provide that the Corporate Joint Committee must have its own Governance and Audit Committee. One third of the members of the Governance and Audit Committee must consist of lay members.
- 3.4 The Corporate Joint Committee has resolved to create its own Governance and Audit Committee, the Terms of Reference for which are at **Enclosure 1**. Whilst adopted, the Terms of Reference will be reviewed by the Governance and Audit Committee and will be updated in due course.
- 3.5 The Corporate Joint Committees shall consist of nine members: comprising of six county councillors, one from each of the constituent councils, and three lay members. The quorum shall be seven and shall exist where there is a councillor from each of the constituent councils plus one lay member in attendance. The Chair must be drawn from among the three lay members.
- 3.6 The Governance and Audit Committee is required to meet at least once a year but is scheduled to meet once every quarter and meetings are expected to last around two hours. They will take place remotely. As the provision for remote attendance is a statutory entitlement, even if an “in person” option is introduced in the future members of the Governance and Audit Committee shall always be entitled to attend remotely.
- 3.7 An officer appointed / seconded by the Corporate Joint Committee shall act as the advisor to the Governance and Audit Committee.
- 3.8 Training, development and support will be provided to the members of the Governance and Audit Committee. This will include role specific training as well as IT support.
- 3.9 The Corporate Joint Committee has resolved to appoint members from the existing Governance and Audit Committees of the constituent councils. Each of the constituent councils has nominated a councillor from its own Governance and Audit Committee, as its principal nominee, together with a second councillor to act as a substitute to ensure that a quorum can be achieved when the principal nominee is unavailable.
- 3.10 Constituent councils were asked if they wished to nominate a lay member to serve on the Governance and Audit Committee of the Corporate Joint Committee. A brief introduction to the role and role description are attached at **Enclosure 2**. Had there been more than three nominations altogether, then the Corporate Joint Committee had decided to make appointments based on merit in accordance with an application process. However, only three of the constituent councils nominated lay members. This included the Governance and Audit Committee of the Isle of Anglesey County Council, which appointed the late Mrs Sharon Warnes. In light of the unexpected vacancy which has now arisen, the Governance and Audit Committee of the Isle of Anglesey County Council has been invited to consider nominating another lay member to the Governance and Audit Committee of the North Wales Corporate Joint Committee. Invitations will be extended to the other constituent councils only in the event that there is no nomination from the Isle of Anglesey.

- 3.11 Lay members appointed to the Corporate Joint Committee will receive remuneration in accordance with any relevant determination issued, from time to time, by the Boundary and Democracy Commission (known until recently as the Independent Remuneration Panel for Wales).

## **Governance and Audit Sub Committee – Terms of Reference**

The terms of reference of the sub-committee are set out in the CJC Establishment Regulations which state that the Governance and Audit sub-committee must be appointed further to Section 81 of the Local Government Measure (Wales) 2011 as amended, to:

- a) review and scrutinise the CJC's financial matters
- b) make reports and recommendations in relation to the CJC's financial matters
- c) review and assess the CJC's risk management, internal control, performance assessment and corporate governance arrangements
- d) make reports and recommendations to the CJC regarding the adequacy and effectiveness of those arrangements
- e) review and assess the CJC's ability to handle complaints effectively
- f) make reports and recommendations in relation to the CJC's ability to handle complaints effectively
- g) inspect the CJC's internal and external audit arrangement
- h) review the financial statements prepared by the CJC
- i) exercise such other functions as specified by the CJC

The sub-committee must also undertake the further functions of the Governance and Audit Committee under Chapter 1 of Part 6 of the Local Government and Elections (Wales) Act 2021 (performance and governance of principal councils).

The sub- committee will also be responsible for fulfilling the following functions:

- (i) to promote internal audit, establishing a timetable to conduct review control, develop an anti-fraud culture and review financial operations;
- (ii) to consider observations and concerns on individual services at a county level, on the basis of reports by Council officers, the Audit Commission or the District Auditor and monitor the response and actions on the recommendations and findings.

## **Membership**

Members of a CJC Governance and Audit committee cannot be a member of the CJC, a member of the executive of a constituent council or a co-opted member (co-opted member

in this case means a person co-opted on to the CJC, or to participate in activities of the CJC, other than the governance and audit committee).

Membership of the Governance and Audit Sub-Committee must be at least one third lay members, and at least two thirds membership from the constituent councils. The appointment(s) will be made by the North Wales CJC.

The Chair of the Governance and Audit Sub-Committee must be a lay member.

The Governance and Audit Sub-Committee should be established by the CJC comprising of lay members to be drawn from constituent councils governance and audit committees (or externally advertised if this is not possible) and members from each constituent council.

The Governance and Audit Sub-Committee may not exercise its functions if the membership contravenes these requirements.

## **Guidance of the Welsh Ministers**

The governance and audit sub-committee must have regard to any guidance given by the Welsh Ministers under Section 85(1) Local Government (Wales) Measure 2011.

## **Quorum**

The quorum for the governance and audit sub-committee shall be 7 members with at least one member present from each Constituent council and at least one Lay Member.

## **Standing Orders**

### **2.22 Governance and Audit Sub-Committee**

2.22.1 The CJC must establish a sub-committee (known as the Governance and Audit Sub-Committee)

2.22.2 The Terms of Reference of the Governance and Audit Sub-Committee are set out in Part 4 of this Section 5 and those terms of reference may be amended by the CJC from time to time within statutory requirements.

2.22.3 The membership of the Governance and Audit Sub-Committee shall consist of 9 Members 6 of whom shall be elected members drawn from and nominated by the Governance and Audit Committees of each of the 6 Constituent Councils and 3 of whom shall be Lay Members.

## **Meetings**

2.23 The Governance and Audit Sub-Committee are required to meet once every calendar year as a minimum.

## **North Wales Governance and Audit Sub-Committee**

### **Background information for Independent (lay) Members**

The North Wales Corporate Joint Committee (NWCJC) is a new public regional body established by the North Wales Corporate Joint Committee Regulations 2021 further to the Local Government and Elections (Wales) Act 2021. The NWCJC's membership is comprised of 6 Council Members, one for each local authority in NW Wales, and a member from Eryri National Park Authority.

The NWCJC has responsibility for preparing Strategic Development Plans, Regional Transport Plans, and for doing whatever is deemed necessary to enhance or promote the economic well-being of the area.

NWCJC is looking for three independent members to join our new Governance and Audit Sub-Committee for a term of 4 years.

The Governance and Audit Sub-Committee will be a key component of NWCJC's corporate governance. The purpose of the Governance and Audit Sub-Committee will be to review and scrutinise the NWCJC's financial affairs and to provide an independent focus on the audit, assurance, performance and reporting arrangements that underpin good governance and financial standards.

The Governance and Audit Sub-Committee will have 9 members, including 6 Councillors and 3 independent (lay) members. The meetings are held quarterly in any calendar year, and are currently on-line.

Please find enclosed:

- The Sub-Committee's terms of reference - it will operate with due regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) good practice guidance.
- A role description and person specification – we are looking for independent-minded professionals, willing to support the Sub-Committee through their accumulated personal knowledge and experience in areas relevant to its role.

Whilst a detailed knowledge of local government is not necessary it would be expected that potential candidates would be interested in matters relating to the public sector and audit. Induction training will be provided to all new members. The Governance and Audit Sub-Committee will be chaired by a Lay Person, so a willingness and ability to fulfil this role is desirable.



## **North Wales Corporate Joint Committee**

### **Governance and Audit Sub-Committee**

#### **Independent (Lay) Member Role Description and Person Specification**

##### **Accountabilities:**

- To the CJC
- To the Chair of the Sub-Committee

##### **General Responsibilities for Lay Members:**

- Actively participate in Committee meetings and be objective, independent and impartial
- Have regard to the requirements of the Chair of the Sub-Committee and the professional advice of senior officers of the NWCJC
- To work according to the Terms of Reference of the Sub-Committee
- Contribute to the development of the forward work programme for the Sub-Committee
- Participate in any training and development required for the role
- Demonstrate independence, integrity, and impartiality in decision making according to legal, constitutional and policy requirements
- Uphold the Nolan principles of behaviour and act in accordance with the Constitution of the NWCJC and its Code of Conduct
- To report as required to the CJC
- To respond to any recommendations made by the Auditor General for Wales

##### **Role purpose and activity**

Review, scrutinise make reports and recommendations on the NWCJC's financial affairs:

- Oversee the authority's internal and external audit arrangements
- Work with internal and external auditors
- Review the financial statements prepared by the CJC

Review, assess make reports and recommendations on the NWCJC's performance management and corporate governance arrangements and its effectiveness:

- Contributing to the effective performance of the CJC
- Review the draft report of the CJC's annual self-assessment and make recommendations for changes to the conclusions or actions that the CJC intends to take
- Make recommendations in response to the draft report of the CJC's Panel Assessment

Review, assess make reports and recommendations on the NWCJC's complaints management process:

- Review and assess the CJC's ability to handle complaints effectively.
- Make reports and recommendations in relation to the authority's ability to handle complaints effectively.

Review and assess the Governance, Risk Management and Control of the CJC:

- Review and assess the risk management, internal control, and corporate governance arrangements of the CJC
- Make reports and recommendations to the CJC on the adequacy and effectiveness of those arrangements
- Review and assess the financial risks associated with corporate governance, and be satisfied that the CJC's assurance statements, including the Annual Governance Statement, reflects the risk environment and any activities required to improve it

### **Skills of Governance and Audit Committee Member**

To provide challenge and support in your role of being an independent source of support for the Governance and Audit Sub-Committee:

- An ability to analyse complex information, question, probe and seek clarification to come to an independent and unbiased view.
- Strong interpersonal skills and the ability to work with, influence and advise diverse stakeholders
- Excellent communication skills and the ability to contribute to discussions
- Confidence to challenge and hold senior staff accountable
- Independence, objectivity, and discretion with sound judgment
- Ability to maintain strict confidentiality

### **Qualifications and Experience**

You will ideally have experience of one or more of the following:

- A financial or audit type background and/or appropriate experience of financial management.
- Strong appreciation of governance principles, risk management and control, and their practical application
- Sound understanding of the roles of internal and external audit
- Knowledge of external reporting requirements under UK accounting standards
- Budget management and business planning experience
- Understanding of organisational structures, strategies, and objectives.
- Experience of working in or with large, complex organisations with an understanding of the political environment within which local government operates

### **Time Commitment**

- Attending and preparing for Governance and Audit Sub-Committee meetings held virtually.
- The Sub-Committee will meet on a quarterly basis within any calendar year.
- Supporting the lay chair in their role and contributing on a regular basis as issues arise.
- Attending training/events by agreement.

### **Terms**

- The successful candidate will be appointed for a four year term. Lay Members may spend up to a maximum of eight years on the committee.
- You will be expected to attend approximately four Sub-Committee meetings a year.
- The Sub-Committee will meet during the day, normally starting at 10am or 2pm. Meetings last 2 to 3 hours (but may be longer on occasion) and you would also need to allow for some preparation time. Formal meetings are held online and are webcast for the public to view.

- The position is a voluntary role, however you are entitled to remuneration for time preparing and attending the Sub-Committee. Lay chair of the Governance & Audit Sub-Committees hourly rate is £33.50; ordinary lay members hourly rate is £29.75.

## **Restrictions**

You should not:

- Hold a current or prospective paid office or employment, appointment, or elected to the NWCJC or one of its sub-committees
- Be disqualified from being a Member of a constituent Council or Eryri NP
- have any criminal convictions or be an un-discharged bankrupt
- have any significant business dealings with the NWCJC or any of the six constituent councils

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ISLE OF ANGLESEY COUNTY COUNCIL	
REPORT TO:	County Council
DATE:	20 <sup>th</sup> May 2025
REPORT TITLE:	Overview and Scrutiny Annual Report 2024/25
REPORT BY:	Chairs of the: <ul style="list-style-type: none"> <li>1. Corporate Scrutiny Committee</li> <li>2. Partnership and Regeneration Scrutiny Committee</li> </ul>
PURPOSE OF THE REPORT:	Report on the work of both scrutiny committees during 2024/25 and provide an overview of the scrutiny work programme for 2025/26
PORTFOLIO HOLDER(S):	Not applicable
DIRECTOR / HEAD OF SERVICE:	Lynn Ball, Director of Function (Council Business) / Monitoring Officer
REPORT AUTHOR:	Anwen Davies, Scrutiny Manager <a href="mailto:AnwenDavies@ynysmon.llyw.cymru">AnwenDavies@ynysmon.llyw.cymru</a> 07971167198
LOCAL MEMBERS:	Applicable to all Scrutiny Members

## 1. Recommendations

Full Council is requested to:

**R1** Approve the Scrutiny and Overview Annual Report for 2024/25

**R2** Note the continued progress made in implementing our Scrutiny journey and the impact this is having on practice

**R3** Appoint the chair of the Partnership and Regeneration Scrutiny Committee as the Scrutiny Champion for the period May 2025 to May 2026.

## 2. Background and Context

**2.1** This Annual Report on Overview and Scrutiny encompasses the work undertaken by the two scrutiny committees and three scrutiny panels between May 2024 and May 2025.

**2.2** The chairs of both scrutiny committees led on developing the forward work programmes during this period. The scrutiny committees' forward work programmes are submitted to regular meetings of the Scrutiny Committee Chairs and Vice- chairs Forum and for approval at every meeting of the scrutiny committees.

**2.3** Whilst the impact and value of scrutiny activity continues to make a meaningful contribution to the Council's corporate priorities through support and challenge, the Local Authority commissioned an external review of our scrutiny arrangements, which was completed within the context of our local corporate governance framework. The recommendations have informed our scrutiny development programme moving forward. Progress is to be monitored by the Scrutiny Chairs and Vice-chairs Forum and Leadership Team.

### **3. Role of the Scrutiny Champion**

**3.1** The Scrutiny Champion has an important role in promoting the overview and scrutiny function both within the Council and also with external partners of the Authority. It is not a mandatory or remunerated position. The role is considered key in demonstrating the Authority's commitment to ensuring that Scrutiny maximises the contribution of Non-Executive Members to the organisation's overall performance and corporate health.

**3.2** On 14th May 2015, the Full Council resolved that the role of the Champion should alternate between the two scrutiny committee chairs. The Chair of the Partnership and Regeneration Scrutiny Committee should therefore be appointed as the designated Scrutiny Champion for the forthcoming year.

<b>Appendix:</b>
Overview and Scrutiny Annual Report for 2024/25

# **Overview and Scrutiny**

## **Annual Report: 2024-25**



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1	Foreword
2	Context
3	Member Development and Support
4	Key Local Themes for Scrutiny
5	Assessing the Impact of Scrutiny
6	Looking Forward to 2025/26
7	Contact Scrutiny

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Appendix 1	What is overview and scrutiny?
Appendix 2	Remit and membership of our Scrutiny Committees
Appendix 3	Vision for Delivering Effective Scrutiny in the Council
Appendix 4	Executive-Scrutiny Protocol



# 1. FOREWORD

## **Councillor Douglas Massie Fowle**

- **Chair of the Corporate Scrutiny Committee 2024/25**
- **Scrutiny Champion → 2024/25**



It is with pleasure that I provide an overview of the work of the Corporate Scrutiny Committee over the last 12 months. The scope of work of the Committee is discussed in this report and it is fair to note that the workload continues to be considerable and varied. A total of 10 meetings were convened during the civic year:

- **Annual budget setting 2025/26** – one of the main responsibilities of the Committee is to contribute to the process of setting the Council's annual budget. This is a crucial part of our corporate governance arrangements, having a far-reaching impact on every service area of the Council as well as the public. The Committee considered both the initial draft budget proposals and also the final draft budget for 2025/26 with a significant contribution by the Finance Scrutiny Panel again this year – with the Panel completing in-depth scrutiny of both the revenue and capital budget proposals on behalf of the Scrutiny Committee.
- **Council Plan: 2023-2028** – Members scrutinised a number of key strategic plans which when implemented will enable the Local Authority to realise the 6 key strategic objectives of the Council Plan for 2023-2028. The Committee scrutinised the following plans:
  - Annual Delivery Plan: 2024/25
  - Draft Corporate Self-Assessment 2024
  - Môn Actif Strategic Plan
  - Local Housing Market Assessment 2024
  - Procurement Strategic Plan and New Contract Procedure Rules
  - Flood Risk Management Strategic Plan.

The Committee recommended that these strategic plans be adopted, providing a clear direction for the Council's strategic priorities for the five year period.

- **Quarterly Performance Monitoring** – the Committee monitored performance on a quarterly basis throughout 2024/25, using the corporate scorecard which reports on a range of indicators across the breadth of Council Services. The scorecard continues to evolve as an effective method for Elected Members to scrutinise performance and data. The Scrutiny Committee established a Scrutiny Task & Finish Group during 2024 to examine the performance of one Key Performance Indicator namely KPI 29 (the average number of calendar days taken to let a lettable unit of accommodation excluding Difficult to Let units) with a view to improving performance. The Panel's findings were approved by the Executive in June 2024 as a catalyst for improving performance in this service area.

- Our work as a Committee also included monitoring and scrutinising of the Annual Performance Report 2023/24. This is another core element of the Scrutiny Committee's work.
- **Ambition North Wales** – The Committee reviewed the quarterly monitoring reports and raised relevant questions regarding the progress of ongoing projects—an essential task to maximize the economic benefits for North Wales, and Anglesey in particular. For example, the mitigation measures to address any delays and how the risk of over-expenditure in individual projects will be effectively managed.
- **Housing Services** – The Committee scrutinised the Housing Revenue Account Business Plan 2025-55 which sets the direction for developing and maintaining the Authority's council housing stock. Members focused specifically on the following themes – alignment with the Council's wider strategic priorities (Council Plan: 2023-2028); affordability of the expansion programme to increase the Local Authority's housing stock; achievability of the priority to maintain and work towards the Welsh Housing Quality Standards II 2023; the risks related to the need for sufficient internal and external capacity to deliver the schemes. The Committee recommended the business plan for adoption by the Council.
- **Social Services** – in the Autumn, Members scrutinised the Annual Report for the North Wales Regional Partnership Board (Part 9): 2023/24. The Committee noted progress made through working collaboratively across health and social care services to help support resilient communities and to also ensure a seamless service for individuals requiring care and support. This is aligned to the priorities of the Council Plan namely 'Social Care and Wellbeing' – directly providing the right support at the right time'.
- Finally, the Committee also reviewed the Care Inspectorate for Wales: Adult Services Improvement Check Letter and Action Plan in October. Members revisited this workstream again in April 2025 to review progress and distance travelled. The Report will assist in shaping further service improvements in Adults' Services in line with local priorities.

To end, I acknowledge the work done by the Finance and Social Services Scrutiny Panels and thank all Committee Members and officers who have assisted during 2024/25. I would like to express my gratitude to the Officers from the Scrutiny Team for their ongoing assistance. Lastly, I would also like to take advantage of this opportunity to thank both Councillor Dyfed Wyn Jones and Councillor Sonia Williams for their support as Vice chair during the past 12 months.

**Councillor Douglas Massie Fowlie**  
**(Chair of the Corporate Scrutiny Committee)**

## **Councillor Dylan Rees**

- **Chair of Partnership and Regeneration Scrutiny Committee 2024/25**



I am delighted to present an overview of the Partnership and Regeneration Scrutiny Committee's work over the past 12 months.

During this time, the Committee has made well-considered and impactful recommendations to the Executive on several critical issues and service areas, as well as on the activities of the Authority's strategic partnerships.

- **Welsh Language** – in June, the Partnership & Regeneration Scrutiny Committee looked at one of the six strategic objectives of the Council Plan for 2023-2028 namely the Welsh Language. The Welsh language is an integral part of our identity, culture and heritage and we have a responsibility to ensure that it continues to develop and thrive. The following areas in particular were scrutinised by Members -
  - I. Welsh Standards Annual Report: 2023/24
  - II. Welsh in Education Strategic Plan 2023/24 - Measuring Progress
  - III. Revised Welsh Language Policy
- **Betsi Cadwaladr University Health Board** –the Scrutiny Committee welcomed both the Chair and Chief Executive of Betsi Cadwaladr University Health Board at a meeting of the Committee in November 2024. Representatives from Audit Wales also attended to discuss a recent report on urgent and emergency care flow out of hospitals in the North Wales region. The meeting served as a platform for a productive and constructive dialogue with the Health Board, focusing on key areas of collaboration, including:
  - ✓ Health Board Improvement Programme – high level overview
  - ✓ Resilience of Community Clinical Services on the Isle of Anglesey
  - ✓ Joint Working between the Health Board and Isle of Anglesey County Council Adults' Services

The Committee posed pertinent primary and supplementary questions resulting in productive scrutiny of a key strategic partner to the Local Authority. As a result, a tangible outcome was achieved: the Health Board has agreed to attend Scrutiny Committee annually. Additionally, arrangements will be made to convene a briefing or forum session, bringing together representatives from the Health Board and Elected Members. This will provide Members with an opportunity to share their constituents' experiences and concerns regarding the provision of healthcare.

- **Emergency Services**- In July 2024, the Partnership and Regeneration Scrutiny Committee hosted representatives from the North Wales Fire & Rescue Service and Welsh Ambulance Services Trust. The meeting encouraged productive discussions and scrutiny, focusing on the following key areas:
  - ✓ Current service provision on the Isle of Anglesey;
  - ✓ Resilience, challenges and affordability of the current service delivery model on Anglesey;

✓Joint working with the Isle of Anglesey County Council

Members asked relevant questions of both Emergency Services regarding response times in rural parts of Anglesey, highlighting the potential risk to lives due to delayed Fire Service and Welsh Ambulance Service responses. The meeting marked a continued commitment to strengthen the partnership between the Isle of Anglesey County Council and the Emergency Services, with plans to invite the North Wales Fire & Rescue Service and Welsh Ambulance Service Trust to attend annually.

- **Strategic Partnerships**-The Scrutiny Committee also invited the following key partners to address the Committee over the past 12 months:
  - I. Ynys Mon Citizens Advice
  - II. Môn CF
  - III. Menter Môn
  - IV. Medrwn Môn

Scrutinising the work of our funded partners is crucial to ensuring alignment with the Council Plan 2023-2028 and the regional partnership landscape. The following key areas were examined by Members:

- ✓ Organisation purpose, role and priorities
  - ✓ Budgets (core and grant funding) and staffing structure
  - ✓ Partners –their collaborators
  - ✓ Nature of joint working with the Isle of Anglesey County Council
  - ✓ Outputs and outcomes created for people and communities across the Island
  - ✓ Opportunities, challenges and risks to the future.
- 
- **Council Plan: 2023-2028** – Members scrutinised a number of key strategic plans which when implemented will enable the Local Authority to realise the 6 key strategic objectives of the Council Plan for 2023-2028. To that end, the Scrutiny Committee scrutinised the following plans and reports-
    - I. Modernising Adult Services Strategic Plan
    - II. Corporate Safeguarding Report
    - III. Annual Report on Equalities
    - IV. Shared Prosperity Fund
  - **Anglesey and Gwynedd Public Services Board (PSB)** – The Committee leads on scrutinising the work of the Board, which is a partnership between Gwynedd and Anglesey. This includes scrutinising the delivery of the Wellbeing Plan, governance arrangements and the Annual Report. During the 2024/25 civic year, Members carefully considered the Board's annual report: 2023/24 and examples of quality scrutiny work were seen with Members asking how the Public Services Board fits into the complex regional partnership structures and maximise collaboration to avoid duplication of effort.
  - **Education Scrutiny** – Members added value through scrutinising key areas of education services on the Isle of Anglesey with the Education Scrutiny Panel looking in detail at some key priority areas –
    - I. Schools in a Category, Estyn Follow Up or Receiving Additional Support
    - II. GwE Annual Report for Anglesey: 2023/24
    - III. Gwynedd and Ynys Mon Additional Learning Needs & Inclusion Service

During the year, the Committee received the latest information about standards in schools on Anglesey, providing assurance that improvement measures are in place, as well as appropriate support, for schools that raise concerns.

The above summary highlights the Scrutiny Committee's contribution to the Council's decision-making over the past year. The scrutiny process is vital to the Council's corporate governance, holding decision-makers accountable, challenging constructively, and ensuring public input. The Public Speaking Protocol formalises the process for public participation in Scrutiny Committee meetings.

I would like to extend my sincere thanks to members of the Partnership and Regeneration Scrutiny Committee and the Education Scrutiny Panel for their collaborative efforts over the past year. Their dedication, valuable contributions, and unwavering commitment have played a crucial role in advancing the work of the Committee, significantly supporting the delivery of the Council Plan and upholding the high standards of our public services.

I would also like to take this opportunity to thank my Vice-chair, Councillor Gwilym Owen Jones, for the invaluable support he has provided me with.

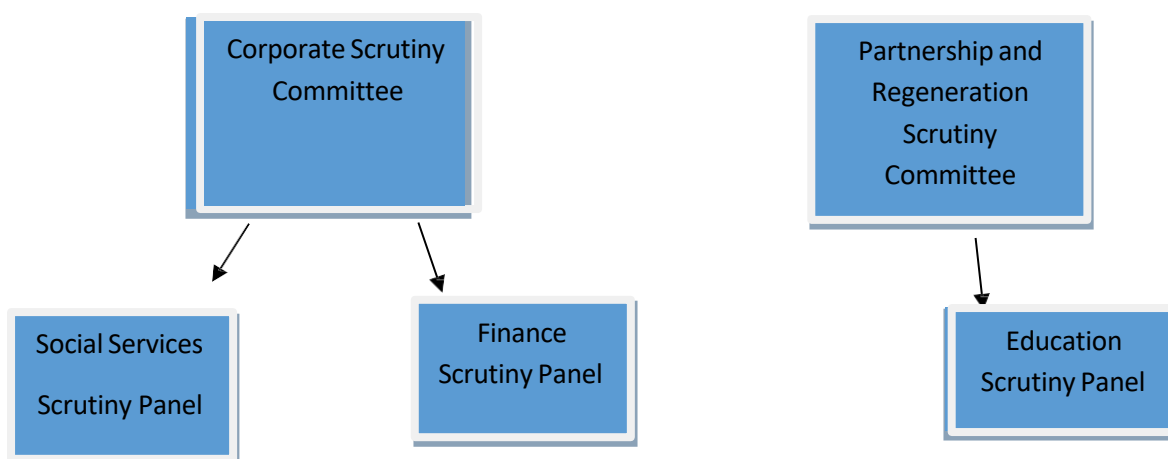
**Councillor Dylan Rees**  
**(Chair of the Partnership and Regeneration Scrutiny Committee)**

## 2. CONTEXT

**2.1** This Annual Report captures achievements during the 2024/25 civic year and provides an insight into how Scrutiny on the Isle of Anglesey has been able to influence the decision-making process. On Anglesey, Scrutiny is delivered through two Scrutiny Committees made up of locally elected Councillors and co-optees and 3 Scrutiny Panels. Scrutiny continues to have a strong voice in the Local Authority by delivering a full programme of formal meetings. However, we want to achieve more ensuring that the views and experiences of our local communities are heard about what is working well and where improvements are needed. Citizen engagement and participation is one of the development themes that we will focus on during 2025/26.

**2.2** Scrutiny committees form part of the way in which local government in Wales operates. Their prime role is to hold the decision-makers to account, drive improvement, be a critical friend, act as the voice of the community and play a role in policy development and review. A summary of the national policy context is outlined in **APPENDIX 1**.

Our local structure comprises of 2 scrutiny committees and three panels:



The remit and membership of our scrutiny committees are summarised in **APPENDIX 2**.

**2.3** Both Scrutiny Committees met regularly and completed their priority scrutiny work during 2024/25. The Corporate Scrutiny Committee has undertaken successful scrutiny, ensuring that the Council achieves its corporate objectives and its service objectives in line with the Council Plan 2023-2028. The Partnership and Regeneration Scrutiny Committee has scrutinised some key strategic partnerships and has fully complied with all statutory requirements.

### 3. MEMBER DEVELOPMENT AND SUPPORT

The development and support areas during 2024/25 have focused on the following inputs:

- i. for individuals new to their role (Co-opted Members and officers supporting Member Scrutiny)
- ii. a continued focus on technology (upskilling Members)
- iii. developmental training for scrutiny chairs and vice chairs, focusing on key leadership skills, impact demonstration, and effective questioning strategies. This included tailored training for the chair and vice chair of the Finance Panel.

✚ Our Member training and development programme is ongoing and provides opportunities to self-evaluate the impact of scrutiny work on our corporate governance arrangements.

✚ We will continuously review our Member training and development programme in order to fully respond to the key messages of our recent scrutiny review. This will ensure that the conditions are created for continuous improvement and robust scrutiny by Elected Members. Our training and development opportunities for the year ahead will therefore focus on supporting our scrutiny improvement plan.

✚ Scrutiny across a broader base – a broader approach to Member scrutiny has been further developed and consolidated during 2024/25 by:

- i. effective forward planning to ensure alignment between topics discussed at Member briefing sessions, scrutiny panels and scrutiny committee meetings.
- ii. ensuring clarity of role for Members on corporate programme boards and ensuring robust, timely high level reporting to scrutiny committees, escalating slippage as required.
- iii. developing a breadth of topics discussed at Member monthly briefing sessions in support of Scrutiny and ensuring information available to Members on key strategic and transformation topics

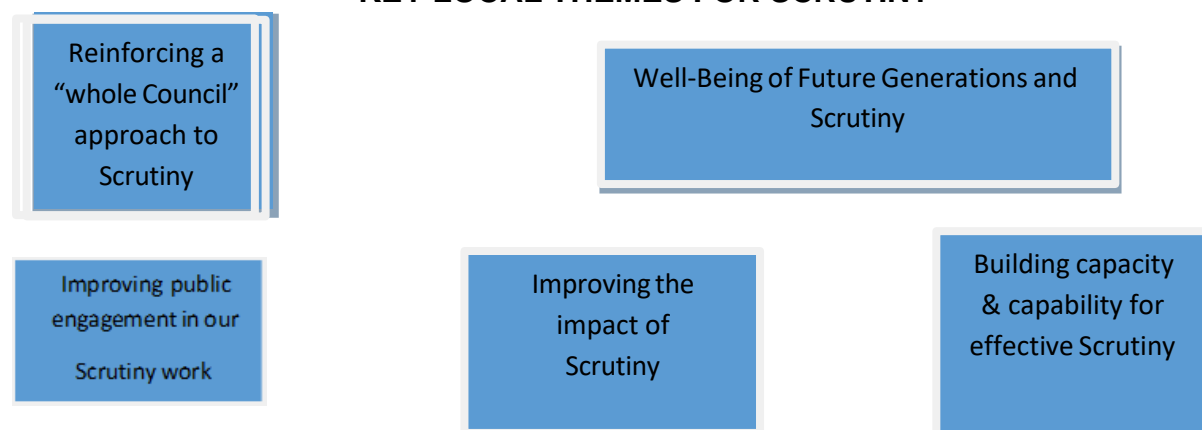
## 4. KEY LOCAL THEMES FOR SCRUTINY

### 4.1 Key Themes

A number of key themes underpin our local scrutiny work streams (which are summarised below), in order to provide a robust framework to:

- Clarify the role and contribution of Scrutiny in the governance arrangements of the Council.
- Identify the actions required in the short and medium term in order to further improve Scrutiny within the context of current legislative requirements.

#### KEY LOCAL THEMES FOR SCRUTINY



## 5. ASSESSING THE IMPACT OF SCRUTINY

### 5.1 MEASURING OUTPUTS

A number of significant **outputs** were achieved by Scrutiny during the last civic year which go some way in assisting us to assess the impact that Scrutiny has had locally:

**5.1.1 Committee meetings** – a total of 21 scrutiny committee meetings were convened during 2024/25:

Committee	Number of Meetings Convened
Corporate Scrutiny Committee	10
Partnership and Regeneration Scrutiny Committee	11

There are robust arrangements in place to ensure feedback at meetings of the Executive by scrutiny committee chairs on matters that have been considered by both committees.



**5.1.2 Scrutiny Panel meetings** – there have been regular meetings of the 3 scrutiny panels over the past 12 months:

Panel	Number of meetings convened
Social Services Scrutiny Panel	4
Finance Scrutiny Panel	6
Education Scrutiny Panel	10

These panels have been embedded into practice by:

- ✚ Putting in place robust governance arrangements to support each panel ensuring a clear focus / remit and work programme for each panel
- ✚ Introducing a reporting / escalation process ensuring that the work of scrutiny panels is reported regularly to the two Parent Committees, with Chairs of the Panels proposing recommendations when appropriate
- ✚ Ensuring an appropriate pace for the work of the panels which is in line with corporate priorities and also complete detailed scrutiny on the Council's all important subjects.

**5.1.3 Scrutiny Recommendations**-Scrutiny is all about holding to account and driving improvements to public services

In looking at our Scrutiny work by Elected Members during 2024/25 whether at a formal, public committee meeting, smaller scrutiny panel or task and finish group, Scrutiny made the following number of recommendations....



Scrutiny therefore provides meaningful recommendations which add value to our decision-making process and have led to positive change.

#### 5.1.4 Scrutiny Recommendation-Case Example

In November 2024, Senior representatives of the Betsi Cadwaladr University Health Board attended a meeting of the Partnership and Regeneration Scrutiny Committee to consider partnership working between the Health Board and Local Authority. Following robust deliberations and scrutiny questioning, a key recommendation was agreed. Illustrating scrutiny adding value and driving positive change: -

#### Recommendation:

“That arrangements be made to convene a briefing/forum session with representatives from the Health Board and Elected Members so that Members can express their electorates experiences and concerns as regard to the provision of health care.”



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

**5.1.5 Forward work programmes** – there is a well-established practice of forward work programming in place to underpin the work of both scrutiny committees. These programmes are an important tool in assisting scrutiny committee Members to prioritise their work and are discussed regularly with the Leadership Team and Heads of Service. The Scrutiny Chairs and Vice Chairs Forum review progress on a regular basis.



Both committees and the 3 panels review the content of their forward work programmes on a regular basis in order to ensure that they remain relevant and keep abreast with local priorities. Our local forward planning arrangements ensure focus on:

- i. Strategic aspects
- ii. Citizen / other stakeholder engagement and outcomes
- iii. Priorities of the 2023-2028 Council Plan
- iv. Risks
- v. Work of audit, inspection and regulation
- vi. Matters on the forward work programme of the Executive.

**5.1.6 Scrutiny Chairs and Vice-chairs Forum** – is well established and continues to meet regularly. The Forum is considered an important vehicle to oversee the scrutiny committee work programmes and jointly negotiate priorities with the Scrutiny Committees' Chairs and Vice-chairs. It also takes lead responsibility for developing and continuously improving the overview and scrutiny function in the Council. The role of the Forum has also evolved to include conversations between the Executive (Leader), Chairs/Vice-Chairs of Scrutiny and Leadership Team (Chief Executive) to ensure effective alignment between work programmes across the work of the Authority.


**5.1.7 “Closing the Scrutiny loop”** – by having in place robust arrangements to:

i. Report on progress or escalate issues from:

-  Scrutiny panels to parent committees
-  Scrutiny committees to the Executive

ii. Enable and encourage self-analysis and reflection by Scrutiny Members in order to identify strengths and areas for further development / focus.

**5.1.8 Scrutiny & Wellbeing of Future Generations** – developing the role of Scrutiny by:

-  Ensuring Members focus on the 5 ways of working to frame questions,<sup>1</sup> Introducing a revised scrutiny report template, placing wellbeing of future generations at its core

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<sup>1</sup> Long term, Prevention, Integration, Collaboration, Involvement (Wellbeing of Future Generations (Wales) Act 2015)

Raising awareness and providing information in Member briefing and development sessions

- ✚ Reviewing progress made in developing the role of scrutiny against best practice
- ✚ Putting in place a framework to scrutinise the Public Services Board and other key partnerships.

### **5.1.9 Citizen and other Stakeholder Engagement Participation in Scrutiny –**

- ✚ Scrutiny provides a vehicle to allow the views of residents, local communities, key partners and other significant stakeholders to be heard in the Local Authority's decision-making process thus adding value to democracy



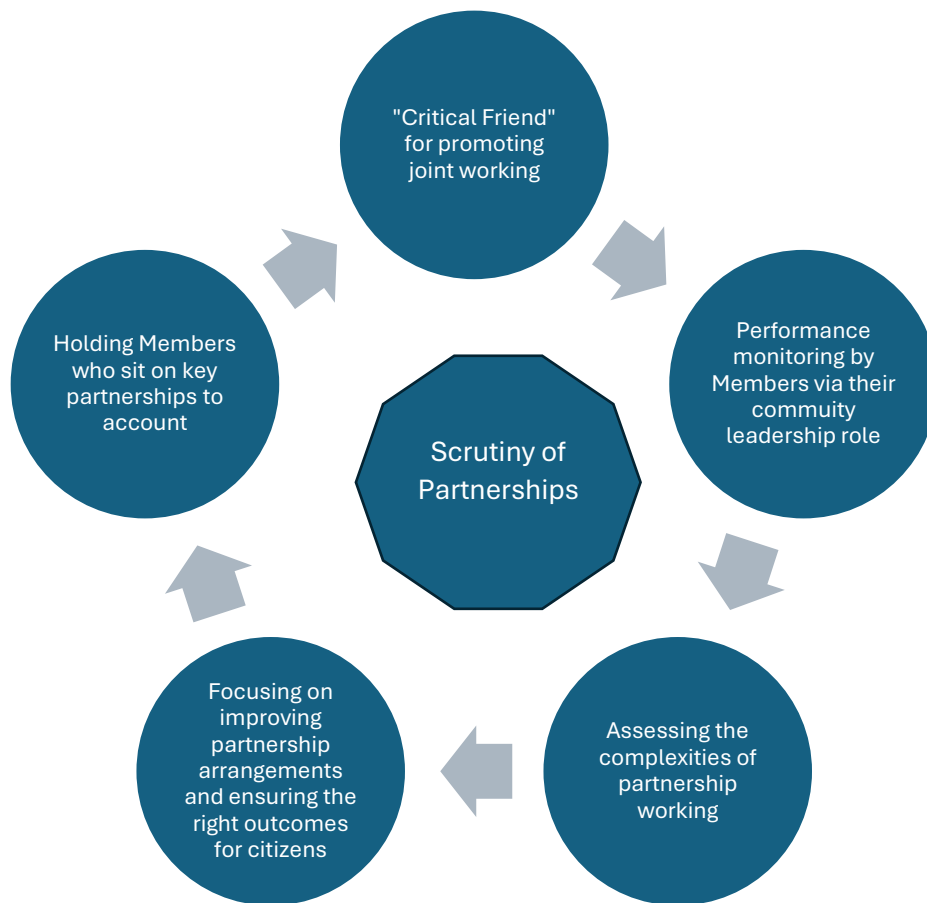
We currently engage with stakeholders and the public by:

- ✓ Having a Protocol for Public Speaking in Scrutiny Committees as a key element of our corporate governance arrangements
- ✓ Publishing each Committee's forward work programme on the Council's website providing public awareness of our forthcoming work and opportunity for wider contribution
- ✓ Inviting key partners to contribute at public meetings in order to broaden our understanding, inform discussions in the Council and add value to our partnership working locally
- ✓ Having co-optees on our Scrutiny Committees representing the Church in Wales, Catholic Diocese and parent governors
- ✓ Questioning strategies which include questions of public interest
- ✓ Site visits to local services to observe frontline service delivery (Scrutiny Panels)
- ✓ Ensuring transparency by webcasting our Committee meetings for public viewing
- ✓ Publicising our Committee meetings on social media in order to encourage engagement
- ✓ A specific Scrutiny contact point via the Council's CRM<sup>2</sup>
- ✓ providing the public with an accessible point of contact specifically related to the democratic process

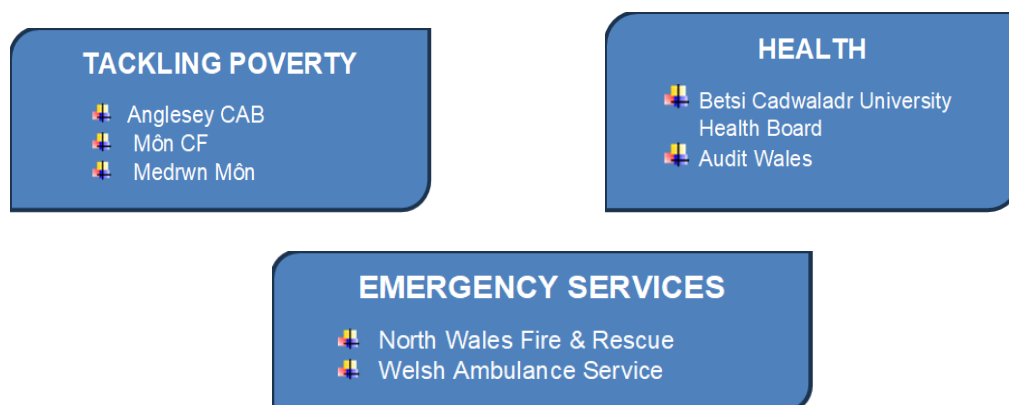
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<sup>2</sup> Customer Relationship Management System (CRM)

- Our Scrutiny of Partnerships provides a forum for constructive challenge and an opportunity for learning and self-reflection by:



### Examples of our work involving stakeholders during 2024/25:



**Enhancing our Engagement** – Scrutiny is all about driving improvement of Council services and we want to go further in our engagement with the public and other stakeholders. We are therefore reviewing our arrangements for

promoting citizen and stakeholder engagement in Scrutiny in accordance with the provisions of the Local Government and Elections (Wales) Act 2021.

Our aim is to strengthen the Council's engagement with the public and improve public awareness of its existing democratic participation arrangements.

## 5.2 MEASURING OUTCOMES

Capturing and assessing the impact of Scrutiny is a challenge to achieve as the **outcomes** of overview and scrutiny activities are not always tangible and often do not easily lend themselves to being measured in a systematic, methodical way. Also, it is not easy to measure the effectiveness of the overview and scrutiny function's ability to influence decision makers through discussion and debate. There are however some examples where the input of scrutiny has added value and / or influenced the way in which proposals have been implemented by the Council.



### 5.2.1 IMPACT OF SCRUTINY

All told, the ultimate goal of Scrutiny is to drive improvement in Council service delivery. Understanding the added value of the work of Scrutiny and its overall impact comes from the outputs and outcomes of our wide range of activities during the civic year. Scrutiny on the Isle of Anglesey therefore makes an impact by:

- ✓ Raising public awareness of Council Services which includes what works well and not so well
- ✓ Shining a light on Council services of significant public interest and value
- ✓ Providing an arena for decision-makers, stakeholder and public collaboration
- ✓ Challenging policy assumptions through allowing more voices to be heard in the decision-making process
- ✓ Providing assurance to decision makers on key policies, partnerships and service delivery
- ✓ Proposing recommendations to the Council's decision-makers
- ✓ Highlighting possible improvement opportunities in policies and service delivery

### 5.2.2 INTERNAL STAKEHOLDER FEEDBACK

Our work measuring the outcomes and impact of Scrutiny practice in the Council has also included some survey work with Members and Senior Officers, through small group discussions using a set of core questions as a framework. The findings of this exercise have fed into our improvement priorities for 2025/26:

#### Self-assessment core questions:

- What were the highlights in Scrutiny during the past year?
- In your opinion, what impact did Scrutiny have during 2024/25 in supporting the Executive to make effective decisions?
- What aspects could be improved or delivered more effectively in the future?
- What development needs do you have to support you in the role?
- Any general observations on the influence and / or impact on the work of Scrutiny Members in the decision-making processes?

#### SCRUTINY CHAIRS AND VICE CHAIRS:

What our Scrutiny Chairs and Vice Chairs had to say.....

The finding of our Scrutiny Review have enabled us to build on our Executive Members' willingness to engage with Scrutiny. Portfolio Holders are now more clearly seen to be held to account rather than Officers

The varying levels of experience among scrutiny members can impact the quality of the discussion at meetings

The new select committee-style seating plan introduced at scrutiny committees has worked particularly well

A highlight for me was the Scrutiny Task & Finish Group: Letting of Local Authority Housing. This demonstrated genuine and impactful Scrutiny

Identifying additional actions that arise from Committee meetings and reporting on progress shows evidence of how we add value to the scrutiny process. This is good practice

Scrutiny Members should feel more confident in challenging, asking supplementary questions, and seeking additional information to ensure a deeper understanding



## SCRUTINY MEMBERS:

What our Scrutiny Members had to say...

The opportunity to consider a broad range of Service areas has enabled me to do my scrutiny work more effectively

Scrutiny provides valuable guidance to the Executive, helping them understand views of the public and inform their decisions.

For me one of the highlights of the year was the detailed scrutiny work of the Education Scrutiny Panel. This provided a valuable indepth look at the education provision in the classroom

Greater recognition should be given to the scrutiny panels for their valuable contribution to scrutiny

A highlight for me was the visit to Schools with a focus on the positive steps being taken to improve and develop the Welsh language provision

We need to follow up with supplementary questions in committee meetings in order to get to the root of the issue

The Education Scrutiny Panel has developed significantly over the years, establishing a clear purpose and direction. We need to ensure we continue with this and that we are scrutinising and providing evidence of our work as a Scrutiny Panel

Now that we have the opportunity for face-to-face meetings will greatly improve our ability to ensure effective scrutiny

It's important to thoroughly follow up on the actions discussed during meetings to ensure accountability and improvements in performance across our service areas



## EXECUTIVE MEMBERS:

What our Executive Members had to say....

Scrutiny is a very important element of the Council's work and every meeting plays its part in this process

The diligent work of our Scrutiny Committees provide the Executive with the confidence to make sound decisions backed by the support of critical challenge

Recent changes introduced to highlight Portfolio Holders' accountability during Scrutiny meetings, have strengthened our Scrutiny Committees

An additional meeting of the Partnership and Regeneration Scrutiny Committee attended by the Chair and Chief Executive of the Betsi Cadwaladr University Health Board highlighted an excellent example of Scrutiny work. Specifically, a question on planning applications that highlighted Councillors frustration and the Chairman's recognition of its importance

It is crucial that Scrutiny Members positively and thoughtfully challenge reports to ensure robust and transparent decisions by the Executive

## LEADERSHIP TEAM:

Some of the aspects which could be improved or delivered more effectively in the future are:  
1.) Attendance at scrutiny committees in person rather than online  
2.) Increased supplementary questions

A greater Officer understanding of preparation meetings, will result in more effective scrutiny in public meetings

Some of the highlights for me during the past year were:

- Scrutiny's input into the process of setting the budget
  - Scrutiny of external bodies
- Consistently robust arrangements in place for public meetings

## 6. LOOKING FORWARD TO 2025/26

The Local Authority has commissioned an external review of its current scrutiny structure and arrangements. This review considered:

- i. best in class practice and benchmarking against other organisations which provided a robust set of recommendations in moving forward
- ii. measuring outcomes and impact of Member scrutiny as an integral part of practice.

The outcomes of this review forms the basis of the next chapter in our development journey.

### KEY SCRUTINY DEVELOPMENT THEMES: 2025/26

Theme	How / Summary of Actions	Outcome
<b>A more Focused, Balanced and Member Led Work Programme</b>	<b>Test of Significance:</b> Revise our arrangements for a focused, balanced and Member led work programme by introducing a new test of significance process	<b>Proactive engagement by scrutiny councillors to prioritise items for the scrutiny forward work programme</b>  <b>Concise Committee agendas</b>
<b>A more Streamlined and Flexible Scrutiny Structure and Governance Arrangements</b>	<ol style="list-style-type: none"> <li><b>i. Balance of formal and informal meetings:</b> Continue with the current Scrutiny panels and create capacity to do more targeted and prioritised scrutiny task and finish / field work.</li> <li><b>ii. Terms of Reference and Reporting Arrangements:</b> Ensure revised terms of reference and reporting arrangements for Panels to provide feedback to Parent Committees which are fit for purpose</li> <li><b>iii. Non Discussion Items:</b> Prioritise items for consideration by Scrutiny via a robust Test of Significance process</li> </ol>	<b>A well designed structure where “form follows function”</b>
<b>Public Engagement and Participation in Scrutiny</b>	<b>i. Public Speaking Protocol:</b> Review and periodically promote our public speaking protocol	<b>Meaningful resident participation which adds value to Scrutiny</b>

	<p><b>ii. Allocate a seat</b> in scrutiny committee meetings for public representation</p> <p><b>iii. Broader Engagement and Participation</b> – explore further action to enable broader engagement and participation in Scrutiny</p>	
<b>Well-being of Future Generations</b>	<ul style="list-style-type: none"> <li>Continue to support chairs in developing the role of scrutiny whilst meeting the requirements of the Well-being of Future Generations Act 2015</li> <li>Fully embed a robust questioning strategy using the Well-being of Future Generations Act to ensure that key scrutiny questions are included in every committee report and are asked in the Panel and Committee meetings</li> <li>Continuously review our arrangements to ensure that we remain compliant with the requirements of the Well-being of Future Generations Act</li> </ul>	<b>Better Outcomes</b>
<b>Partnership Working</b>	<ul style="list-style-type: none"> <li>Continue to co-produce a robust programme to scrutinise Key Strategic Partners</li> <li>Ensure alignment with the Council's Corporate Register of Partnerships</li> </ul>	<p><b>Promoting a collaborative approach to decision-making and ensuring diverse perspectives are considered</b></p> <p><b>Evaluating the success of partnerships, ensuring they are delivering on intended objectives in line with the Council Plan and vision</b></p>
<b>Continued Self-Assessment of our Local Scrutiny Arrangements</b>	<ul style="list-style-type: none"> <li>Ensure a robust self-evaluation framework for Scrutiny Members as a key component of the Scrutiny Annual Report, collaborating with Members of the Executive and Leadership Team</li> </ul>	<p><b>Provide a well-rounded and thorough self-assessment of our local scrutiny arrangements</b></p> <p><b>Outward looking</b></p>

	<ul style="list-style-type: none"> <li>• Maximise opportunities through National UK wide Professional Organisations to benchmark against best in class</li> </ul>	<b>Measure progress and identify areas for growth or improvement</b>
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## 7. CONTACT SCRUTINY

**7.1** To find out more about scrutiny in Anglesey or to give your views please contact:

Scrutiny Team, Isle of Anglesey County Council, Council Offices, Llangefni, Anglesey, LL777TW

Anwen Davies	Scrutiny Manager	<b>Tel:</b> 07971167198 <b>Email:</b> <a href="mailto:AnwenDavies@ynysmon.llyw.cymru">AnwenDavies@ynysmon.llyw.cymru</a>
Elin Allsopp	Scrutiny Officer	<b>Tel:</b> 07812700543 <b>Email:</b> <a href="mailto:ElinAllsopp2@ynysmon.llyw.cymru">ElinAllsopp2@ynysmon.llyw.cymru</a>



# **Overview and Scrutiny Annual Report: 2024/25**

## **APPENDICES**

## APPENDIX 1

### WHAT IS OVERVIEW AND SCRUTINY?

#### National policy context

##### **National context:**

Scrutiny committees form part of the way in which local government in Wales operates. As well as establishing a decision-making executive, the Local

Government Act 2000 requires one or more scrutiny committees. Their primary role is to hold decision-makers to account, drive improvement, act as the voice of the community and play a role in policy development and review.

The Centre for Governance and Scrutiny (CfGS)<sup>2</sup> advocates four key principles in support of effective Member scrutiny:

- i. Provide constructive “critical friend” challenge;
- ii. Amplify the voices and concerns of the public;
- iii. Be led by independent people who take responsibility for their role;
- iv. Drive improvement in public services.

<sup>2</sup>Good Scrutiny Guide, Centre for Governance and Scrutiny 2019

### REMIT AND MEMBERSHIP OF OUR SCRUTINY COMMITTEES

- The overview and scrutiny function at the Isle of Anglesey County Council continues to be delivered through a structure comprising of two parent scrutiny committees - Corporate Scrutiny Committee and the Partnership and Regeneration Scrutiny Committee.

### Corporate Scrutiny Committee

#### Remit:

- The focus of work of the Corporate Scrutiny Committee is to provide assurance regarding the performance and delivery of all services; ensure the council achieves its corporate and service objectives (as outlined in the Corporate Plan, Annual Budget, Budget and Policy Framework, Performance Management Framework, Corporate Policies or their successor plans and policies); and to support and make recommendations for continuous improvement.
- Members of the Corporate Scrutiny Committee hold preparation meetings in advance of committee meetings in order to prepare and focus discussion at the formal meetings of the committee. This is regarded as good practice and it is intended to ensure these arrangements are in place for 2024/25.









#### Membership

- The Corporate Scrutiny Committee is chaired by Councillor Douglas Massie Fowlie and supported by Vice Chair Councillor Sonia Williams Twelve Elected Members sit on the committee<sup>5</sup> with provision for 4 co-opted members:



## Membership of the Corporate Scrutiny Committee

### Elected Members

	Name	Ward	Political Party/Group		Name	Ward	Political Party/Group
	Cllr Douglas Fowle (Chair)	Crigyll	Anglesey Independents		Cllr Sonia Willia ms (Vice- chair)	Aethwy	Plaid Cymru
	Cllr Ieuan Williams	Lligwy	Y Grŵp Annibynnol		Cllr Arfon Wyn	Bro Aberffraw	Plaid Cymru
	Cllr John Ifan Jones	Bro Aberffraw	Plaid Cymru		Cllr Aled Morris Jones	Twrcelyn	Anglesey Independents
	Cllr Jackie Lewis	Talybolion	Plaid Cymru		Cllr Keith Roberts	Ynys Gybi	Welsh Labour



Cllr Llio A  
Owen

Talybolion

Plaid Cymru



Cllr  
Robert  
Llewelyn  
Jones

Parc a'r  
Mynydd

Anglesey  
Independents



Cllr Alwen  
Pennant  
Watkin

Bodowyr

Plaid Cymru



Cllr  
Geraint  
ap Bebb

Cefni

Plaid Cymru

### Co-opted Members



Mr John Tierney

Representing: The Roman Catholic  
Church in Wales



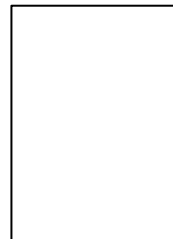
Mrs Wenda Owen

Representing: The Church in Wales



Mrs Gillian Thompson

Representing: /Parent Governor – Primary  
Schools Sector



Vacant Seat: Parent Governor –  
Secondary Schools Sector and  
ALN

## **Partnership and Regeneration Scrutiny Committee**

### **Remit:**

- The primary focus of the Partnership and Regeneration Scrutiny Committee is to ensure that the interests of the citizens of the Island are promoted and that best use is made of Council resources, in line with the Council's priorities, that demonstrate added value from working with partners. The remit of the Committee includes regional and national arrangements as well as local arrangements.
- The Committee is also the nominated Crime and Disorder Committee dealing with crime and disorder matters, as required under Section 19 and 20 of the Police and Justice Act 2006. It is also the designated committee for scrutinising the work of the Ynys Môn and Gwynedd Public Services Board.
- The Committee has introduced a practice of holding briefing meetings with Members prior to each formal scrutiny committee meeting. This is regarded as good practice and it is intended to continue with these arrangements in 2024/25.

### **Membership:**

- The Partnership and Regeneration Scrutiny Committee was chaired by Councillor Dylan Rees and supported by Vice Chair Councillor Gwilym Owen Jones. Twelve members also sit on this committee with provision for 4 co-opted members:

## Membership of the Partnership and Regeneration Scrutiny Committee

### Elected Members

Name	Ward	Political Party/Group
------	------	-----------------------



Cllr Dylan Rees  
(Chair) Canolbarth Môn Plaid Cymru



Cllr Non Dafydd Canolbarth Môn Plaid Cymru



Cllr Eurn Morris Lligwy Plaid Cymru



Cllr Sonia Williams Aethwy Plaid Cymru



Cllr Ken Taylor Bro'r Llynnoedd Plaid Cymru



Cllr Gwilym O Jones  
(Vice-Chair) Bro'r Llynnoedd The Independent Group



Cllr Margaret Roberts Lligwy Plaid Cymru



Cllr Jeff Evans Tref Cybi Anglesey Independents



Cllr Derek Owen Twrcelyn Anglesey Independents



Cllr Pip O'Neill Tref Cybi Welsh Labour



Canolbarth Môn Cllr Paul Ellis Anglesey Independents



Cllr John Ifan Jones Bro Aberffraw Plaid Cymru

Co-pted Members



Mr John Tierney  
Representing: The Roman Catholic Church in Wales



Mrs Wenda Owen  
Representing: The Church in Wales



Mrs Gillian Thompson  
Representing: /Parent Governor – Primary Schools



Vacant Seat: Parent Governor – Secondary Schools Sector and ALN

Our scrutiny committees can undertake their work in one of the following ways:

- Consider a topic during a formal meeting
- Consider a topic in more detail by establishing a scrutiny outcome panel OR
- Conduct informal sessions on a particular area of policy.

Again during 2024/25, the scrutiny committees were aware of the need to seek to focus their work on outcomes and within the Audit Wales framework of characteristics and outcomes for effective local government overview and scrutiny<sup>3</sup>

- Better outcomes
- Better decisions
- Better engagement

**Call-in of decisions:** Scrutiny committees can “call-in” a decision taken by either the Executive, Portfolio Holder or an officer to whom the Executive has delegated with a specific decision making power. The scrutiny committees only exercise a “call-in” when there is good reason to do so (through a Test of Significance), and during 2024/25 this was not exercised.

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<sup>3</sup> Good Scrutiny? Good Question!, Wales Audit Office, 2014

## APPENDIX 3

### A VISION FOR DELIVERING EFFECTIVE SCRUTINY IN ANGLESEY COUNTY COUNCIL

#### Our Vision

- ✓ Scrutiny on the Isle of Anglesey aims to secure better outcomes for citizens and communities and add to the effectiveness of the Local Authority by helping make public services more transparent, inclusive, accountable and cost effective.



#### Our Principles

- ✓ Scrutiny is characterised by an atmosphere of mutual trust, co-operation and shared responsibility for achieving the best outcomes for local communities on the Isle of Anglesey
- ✓ Scrutiny Members are non-political in carrying out their support and challenge roles
- ✓ Scrutiny activity directly broadens the evidence base for decisions and transformational change by providing a view on how proposals are likely to be received by local communities.
- ✓ Scrutiny Members help ensure that a strategic, long term approach is taken when major service strategies are being considered by providing constructive challenge in testing assumptions, looking at risk and challenging how resources are prioritised.



#### Our Values

Scrutiny on the Isle of Anglesey....

- ✓ Is forward and outward thinking and proactive (rather than inwards and reactive)
- ✓ has a clearly defined and valued role in the Council's governance and improvement arrangements
- ✓ Is non-political and incorporates a wide range of evidence and perspectives including those from strategic partners, regulators and the public.
- ✓ Is led by Elected Members who have the training and development opportunities they need to undertake their role effectively.
- ✓ Receives effective support from the Council's Leadership Team who ensures that information provided to Scrutiny is of high quality and provided in a timely and consistent manner.
- ✓ Takes into account concerns expressed at ward level in a non- parochial way when managing the forward work programme.

- ✓ Is well planned, chaired effectively and makes best use of the resources available to it.
- ✓ Is recognised by the Executive and Leadership Team as an important Council mechanism for community engagement and facilitates greater citizen involvement in governance.
- ✓ Builds trust and positive relationships with a wide variety of internal and external stakeholders.







### SCRUTINY PROTOCOL

## 1. Introduction

- 1.1 Scrutiny is a key element in holding to account, in a positive and constructive manner, the work of the Council's decision makers (the Executive and officers) and partner organisations in order to help the Council deliver its vision as set out in the Council Plan 2023-2028<sup>4</sup> and to make better decisions. Scrutiny supports services to maintain high service standards and to steer them towards improved efficiency and effectiveness.
- 1.2 This Protocol applies to all Scrutiny Members, all Members of the Executive and Council officers who support and engage with the Scrutiny function.

## 2. Aims

- 2.1 The aims of this Protocol are to:
- i. clarify the relationship between the Executive and Scrutiny Committees
  - ii. ensure smooth conduct of business
  - iii. maintain effective communication between Scrutiny and Executive Members and Council officers
  - iv. Promote an effective role for Scrutiny and foster a good working relationship between Scrutiny Committees and the Executive and Council officers ensuring that Scrutiny makes a valuable contribution and added value to the effective running of the Council.

## 3. Holding the Executive to Account

- 3.1 The role of Scrutiny is to hold the Executive to account by:
- Considering decisions taken by the Executive, individually and collectively, and items on the Forward Work Programme through formal scrutiny committee meetings
  - Reviewing service performance and performance against policy and targets
  - Being prepared to ask searching, probing questions that provide constructive challenge and are relevant to the matters being scrutinised
  - Being positive and respectful in their interactions with Executive Members
  - Representing the voice of the public
  - Listening to the responses provided and assist the Executive in identifying areas for further consideration and improvement
  - Being non-political in carrying out their support and challenge roles.
- 3.2 In return, Executive Members will:

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<sup>4</sup> The Council Plan: 2023-2028

- Be willing to be open, honest and engaged in providing a response to constructive challenge
- Value the importance of Scrutiny
- Be supportive of the scrutiny process and invite and seek an opinion from Scrutiny Members on decisions to be taken, where appropriate
- Provide a positive contribution to Scrutiny meetings
- Attend meetings when invited to do so to answer questions and present information.

## **4. Executive Accountability**

- 4.1 Building on the Executive's willingness to engage with Scrutiny, further improve accountability and transparency by Scrutiny being more clearly seen to be holding Portfolio Holders rather than officers to account by:
- Ensuring "Select Committee" seating arrangements in the committee room to provide a clear separation between Portfolio Holders and Scrutiny Members as well as Council Officers
  - Portfolio Holders to be briefed by the relevant lead Director or Head of Service prior to each Scrutiny Committee meeting
  - Opening presentations by Portfolio Holders to be succinct in order to allow as much time as possible for Scrutiny Members' questioning
  - Direct questions in meetings for response by Portfolio Holders in the first instance with Chief Officers assisting with response to supplementary questions as required
  - Scrutiny Committee reports to be published in the name of the relevant Portfolio Holder
  - With attendance of external bodies, the arrangements will differ depending on the role of the Council.

## **5. Scrutiny Forward Work Programme**

- 5.1 At the start of each municipal year, the Scrutiny Chairs and Vice-chairs Forum suggest topics using the Scrutiny Test of Significance to identify a small number of priorities (linked to the Council Plan 2023-2028) for inclusion in the Scrutiny Forward Work Programme.
- 5.2 The Scrutiny Chairs and Vice-chairs Forum will formally monitor and review the Scrutiny forward work programme periodically throughout the municipal year.
- 5.3 The latest version of the Scrutiny forward work programme to be included on the agenda of every Committee meeting as an item for information only.

## **6. Behaviour, Values & Culture**

- 6.1 Along with the Members' Code of Conduct<sup>5</sup> and Council Plan<sup>6</sup>, Scrutiny and Executive Members will agree to operate in line with the following values and behaviours:
- Communicate effectively by asking focused questions on the subject being scrutinized
  - Commitment to preparing before meetings in order to ask probing questions

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<sup>5</sup> Paragraph 5.1: Members' Code of Conduct-Council Constitution

<sup>6</sup> Values and General Principles: Council Plan 2023-2028

- Foster a climate of trust, openness, honesty and integrity
- Be positive and respectful in their interactions with each other
- Manage any areas of disagreement in a constructive and professional way
- Collaborate and work in ways that champion the Council and the Island
- Be non-political and incorporate a wide range of evidence and perspectives

6.2 In accordance with the Officers' Code of Conduct<sup>4</sup>, Officers will agree to operate in line with the following values and behaviours:

- Comply with policies relating to equality issues
- Must not allow their private interests to conflict with their public duty
- Treat everyone with respect
- Be positive and embrace learning and development

6.3 Officers and Members will agree to work together in collaboration in line with the Relationship Protocol for Members and Officers<sup>5</sup> through utilising the following values and behaviours:

- Instil mutual confidence and trust
- Recognition of, and a respect for, each other's roles and responsibilities
- Respect each other's free (i.e. non-Council) time.

## **7. Response to Recommendations**

7.1 Scrutiny recommendations will be clear, reasoned and outcomes focused to assist response and monitoring and to help evidence the impact scrutiny has on Council business:

- Recommendations should be SMART (specific, measurable, achievable, realistic and timebound).
- The Executive will give due consideration to Scrutiny recommendations and views
- At the Scrutiny Committee, Members will make proposals on matters on the agenda for consideration at a formal meeting of the Executive. At the meeting of the Executive, the Scrutiny Chair will present the Committee's recommendations and the Executive will consider those recommendations when making their formal decisions
- Responses will include an explanation for why any recommendations have not been accepted
- The relevant Scrutiny Chair will attend the Executive to give feedback from their Committee on relevant matters
- Scrutiny committees will record recommendations and responses for ongoing monitoring.

<sup>4</sup> Paragraph 5.2 Officers' Code of Conduct – Council Constitution

<sup>5</sup> Paragraph 5.3.1 Relationship Protocol for Members and Officers-Council Constitution

## **8. Call-in**

- 8.1 Scrutiny can exercise the right to call-in, for reconsideration, decisions (within its remit) made but not yet implemented by the Executive (or a member of the Executive) as set out in the Constitution. This enables Scrutiny members to consider whether the decision is appropriate. They may recommend that the Executive's decision stands. They may recommend that the Executive reconsider their decision or they may refer the Executive's decision to full Council.
- 8.2 Even if the Council objects to the Executive decision, it has no power to veto or change a decision of the Executive, unless it is contrary to the Budget set by Council, or a key policy/strategy which has been made by full Council (a reserved matter).
- 8.3 If a matter referred to full Council was within the jurisdiction of the Executive then while Council cannot change or veto the decision it may refer the matter back to the Executive with recommendations. If full Council does not object to an Executive decision which has been made, then no further action is necessary and the decision will become effective in accordance with the Constitution.
- 8.4 The call-in procedure set out within the Constitution shall not apply where the Executive decision is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. The Chair of the Council must give prior approval if there is a recommendation that the Executive exclude call-in.
- 8.5 The operation of the provisions relating to call-in and urgency shall be monitored annually, and a report submitted to Council, by the Head of Democracy, with any proposals for review if necessary.

## **9. Upholding the Protocol**

- 9.1 The Director of Function (Council Business) / Monitoring Officer and Head of Democracy will be responsible for overseeing compliance with the Executive/Scrutiny Protocol which should be used by Members to support the wider aim of supporting and promoting a culture of scrutiny. The success of the protocol will be determined by:
- Recognition of the value of scrutiny
  - A clear record of constructive challenge
  - An open and accountable decision-making process.
- 9.2 A Scrutiny Annual Report will be submitted to full Council each year with the aim of demonstrating the impact of Scrutiny and effectiveness of the Protocol.

### **Footnote**

Seating arrangements for scrutiny committees - the demarcation between committee members (and officers who routinely support committee members), other councillors and other officers shall be clearly delineated for the benefit of the public.

**FINAL VERSION**

**05/02/2025**

ISLE OF ANGLESEY COUNTY COUNCIL	
<b>Report to:</b>	Governance and Audit Committee / County Council
<b>Date:</b>	26 June 2025 / 25 September 2025
<b>Subject:</b>	Annual Report of the Governance & Audit Committee 2024-25 – Chair’s Report
<b>Head of Service:</b>	Marc Jones Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
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<p><b>Nature and Reason for Reporting:</b></p> <p>The Governance and Audit Committee’s terms of reference require the Committee to report to full council (<i>‘those charged with governance’</i>) 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 Statement<sup>1</sup>. (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 2024-25 prior to its submission to the meeting of the County Council on 25 September 2025.

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<sup>1</sup> 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 2024-25

June 2025



## 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) guidance<sup>1</sup> 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 2024-25 against its terms of reference, incorporated within the Council's Constitution<sup>2</sup>, version 2.93 updated on 24 February 2025.

<sup>1</sup> 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.

<sup>2</sup> 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.
6. Movements during the year included Councillor Dyfed Wyn Jones leaving the Committee to join the Executive in October 2024 and Councillor Liz Wood leaving in February 2025. Councillor Aled Morris Jones and Councillor Kenneth Hughes both joined the Committee in February 2025 to fill the vacant positions. Sadly, Mrs Sharon Warnes, Lay Member, passed away prior to the May 2025 meeting. Mr Mike Wilson, Lay Member, resigned with effect from the end of May 2025 (3.4.8.2.2).
7. The Finance Portfolio Holder is required, as far as possible, to attend all meetings of the Committee (3.4.8.2.2) and attended all seven meetings of the Committee during 2024-25. ([Appendix A](#)).
8. 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).
9. Throughout the year, the Committee conducted its business non-politically and abided by the rules of political balance (3.4.8.2.1).
10. All members declared interests where appropriate (3.4.8.2.2).
11. 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).
12. 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 one special meeting to consider only the draft Statement of Accounts 2023-24, the draft Annual Governance Statement 2023-24 and the External Auditor's report on the audit of the 2023-24 financial statements (ISA 260 report). The attendance at meetings during 2024-25 has been good, with average attendance at 65% ([Appendix A](#)).
13. 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 (3.4.8.2.7).
14. 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 (3.4.8.2.9).
15. Existing members received ongoing training and briefings on new legislation, professional guidance, and research ([Appendix B](#)) (3.4.8.2.10).
16. The Committee's terms of reference include all the core functions of the Committee. At its meeting in June 2024, the Committee considered and approved a revised terms of reference, following changes made as a result of the Committee's self-assessment facilitated by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the resultant improvement recommendations (see also paragraph 19 below).
17. As they were minor in nature they could be implemented by the Council's Monitoring Officer without having to be submitted to Full Council for agreement (3.4.8.3.2).



## Accountability arrangements

18. 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).
19. 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.
20. 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.
21. 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.
22. At its meeting in April 2024, the Committee approved an action plan to address the 10 recommendations made as a result of CIPFA's review. Progress with addressing the recommendations was monitored by the Committee at its meetings in June and December 2024. (3.4.8.3.2).
23. 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 1972<sup>3</sup>.
24. During 2024-25, the Committee considered two items in private:
  - Internal Audit Report of Maritime Income Processes (July 2024)
  - Annual ICT Cyber Security Report 2023/24 (December 2024)
25. The appropriate Public Interest Tests were presented to, and accepted by, the Committee.
26. Agendas and reports were published in accordance with statutory timeframes and were available for inspection (3.4.8.3.3).
27. The Committee maintains an action log to monitor the progress and completion of the actions / decisions it has agreed upon. This is updated prior to and considered by the Committee at each meeting.
28. Where it is deemed appropriate, the Committee can refer key issues to other committees of the Council or the Leadership Team. No issues were referred by the Committee during the year.

<sup>3</sup> 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

29. 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 2024 (3.4.8.4.2). The discussion covered several factors including the Council's compliance timeline with the new Procurement Act 2023, training on the General Power of Competence under the Local Government and Elections (Wales) Act 2021 and resource limitations affecting asset management and efficiency reviews. The Committee resolved to approve the draft AGS that would form part of the 2023-24 Statement of Accounts.
30. The Committee received the final version of the AGS in December 2024 and resolved to endorse it for the financial year 2023-24 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 (3.4.8.4.1).
31. The Governance and Audit Committee's Terms of Reference require it to review the governance and assurance arrangements available for significant partnerships or collaborations (3.4.8.4.4) 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).
32. The Committee was presented with an internal audit report on Partnerships Oversight at its meeting in December 2024. While the report highlighted some areas for improvement, it provided reasonable assurance of the governance and risk management in respect of the Council's significant partnerships and collaborations. The Committee resolved to note the report as part of the Head of Audit and Risk's internal audit update.

33. At its meeting in December 2024, the Committee was asked to nominate three members, one Councillor and one lay member, as well as a second councillor to act as a second, to serve on the North Wales Corporate Joint-Committee's Governance and Audit Committee.
34. The Committee resolved to nominate Councillor Geraint Bebb as principal nominee to serve on the Governance and Audit Committee of the North Wales Corporate Joint Committee (CJC) and Councillor Keith Roberts to act as substitute. It also nominated Mrs Sharon Warnes to serve as a Lay Member on the Governance and Audit Committee of the North Wales CJC.

## Treasury management

35. 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).
36. The Committee reviewed the Annual Treasury Management Report 2023-24 at its meeting in September 2024, 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.
37. In considering the report, the Committee raised points including the reduction in school balances and the implications of this for schools going forward. The Committee resolved to note and forward the report to the Executive, with an additional action to review the report for tense consistency and clarity. (3.4.8.5.1/2/3/4).
38. The Committee considered the mid-year review of treasury management activities and position at its meeting in February

2025. Discussions focussed on the financial viability of settling a long-term loan and the use of Salix loans for the installation of solar panels at Council buildings. Following a request that the Committee be provided with further details on the expected savings from these projects, it resolved to note and accept the mid-year review. (3.4.8.5.1/2/3/4).

39. The Committee also considered and noted the Treasury Management Strategy Statement for 2025-26 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).

## Value for money

40. 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).
41. 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 2024.
42. The Committee considered Audit Wales's Annual Audit Summary 2024, 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 May 2025. The report informed the Committee that Audit Wales had completed work during 2023-24 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).

43. In assessing whether the Council had put in place arrangements to secure value for money, Audit Wales cited its work on the 2023-24 financial statements, in which the Auditor General had been able to give an unqualified true and fair opinion on the Council's financial statements.
44. 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.
45. In terms of the Council's financial sustainability with a particular focus on the actions, plans and arrangements to bridge funding gaps and address financial pressures over the medium term, the Auditor General reported that the Council has good arrangements to respond to financial challenges in the short to medium term but has not formalised the planning and oversight of its longer-term financial sustainability.
46. The Committee resolved to note the Auditor General's Annual Audit Summary 2024 and assessment of whether the Council had put in place arrangements to secure value for money.

## Assurance framework

47. 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).
48. In addition to assurances about 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).

49. The Annual Report of the Senior Information Risk Owner (SIRO) 2023-24 was considered by the Committee in September 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 (3.4.8.7.3).
50. Discussions centred on Freedom of Information (FOI) response performance, arrangements for processing subject access requests where an applicant has failed to provide the Council with evidence of their identity and responsibilities of partner organisations or suppliers in respect of data protection and GDPR compliance. The Committee resolved to accept the report and approve the recommendation that the SIRO and the Council's senior leaders are provided with regular updates on cyber risks and mitigations so that informed, strategic decisions relating to the constant cyber threat to the integrity and confidentiality of the Council's data assets can be made promptly and effectively.
51. The Committee received an update from the Climate Change Manager at its meeting in December 2024, outlining progress towards achieving the Council's net zero target. The report provided an overview of highpoints of the year and main actions from the Towards Net Zero action plan for 2023/24 (3.4.8.7.3).
52. Following discussions around categorisation of carbon emissions, decarbonisation of supply chains and the Council's dependency on external grant funding to achieve its net zero goals, the Committee resolved to take assurance that reasonable measures are in place to manage climate change risks to an acceptable level.
53. At the same meeting, 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 November 2023 to November 2024. Discussion centred on the arrangements in place to monitor compliance with key data protection policies, as well as the role of school governors in schools' data protection self-regulation (3.4.8.7.3).
54. Members of the Committee queried the continuation of annual audit visits to schools which were not conducted in the reporting period pending the introduction of new legislation in this area. 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.
55. The Committee also received the Annual Corporate Health and Safety Report 2023-24. Discussion centred on issues such as the approach towards tackling poor pupil behaviour in primary schools, whether a rise in incidents of aggression and abuse towards Council staff should be escalated and recognised as a significant risk and any cost implications of an increase in the number of slip, trip and fall accidents within Authority-run residential care homes. Following assurances on the matters raised, the Committee resolved to accept the report and endorsed the recommendation that the Council should implement the Corporate Health and Safety Action Plan (3.4.8.7.3).
56. Finally, the Committee received the Annual ICT Cyber Security report 2023-24, in a private session. The report provided an overview of the cyber security issues facing the Council and the actions taken to overcome these challenges, the handling of security alerts and how these were resolved along with current cyber security projects (3.4.8.7.3).
57. The Committee discussed the timeliness of resolutions by third party application suppliers to security vulnerabilities and whether this can be improved through robust contract management controls, emerging risks as a result of the migration to Windows 11, capacity of the ICT service and staff cyber training and awareness. The Committee resolved to accept the report, taking assurance that reasonable measures are in place to manage cyber threats to an acceptable level.

## Risk management

58. The Governance and Audit Committee is responsible for overseeing the development and operation of risk management in the Council (3.4.8.8.1).
59. During 2024-25, the Leadership Team has undertaken a whole-scale review of risk management in the Council. Facilitated by Zurich Risk Engineering, the review has focussed on refreshing the strategic risk register, including identification and articulation of risks, existing controls, risk scoring and appetite, as well as ensuring alignment of strategic risks with the current Council Plan. This review is currently in progress.
60. The outcome of this work will be presented to the Governance and Audit Committee at its meeting in September 2025.

## Countering fraud and corruption

61. At its meeting in July 2024, the Committee reviewed the National Fraud Initiative (NFI) outcomes report 2022-24, which set out the latest outcomes from the NFI in relation to Council Tax Reduction and Housing Benefit. In considering the report, the Committee acknowledged progress with estimated savings of £3,838 as a result of the NFI but noted resource constraints that could hinder fraud prevention efforts. (3.4.8.9.3)
62. The Committee also considered the Head of Audit and Risk's Annual Counter Fraud, Bribery and Corruption report for 2023-24 (3.4.8.9.4/6) at its meeting in September 2024. The report outlined the activity carried out by Internal Audit during the year to minimise the risk of fraud, bribery and corruption occurring within and against the Council.
63. The report highlighted activities to combat fraud, including 67 days spent on counter-fraud work, such as the NFI, pro-active fraud work, general fraud queries and investigations. The report

emphasised the importance of minimising fraud risks, especially at a time of increased financial pressure.

64. 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)
65. Discussion ensued around regional and local counter fraud working group arrangements to raise awareness of fraud risk as well as other ways that might support counter-fraud activity, such as the Council's Customer Relationship management System (CRM) system and the STAR programme which is aimed at improving procurement processes within the Council. The Committee resolved to accept the report and to note its contents.
66. The Committee reviewed and endorsed the Counter Fraud, Bribery and Corruption Strategy 2025-2028 at its meeting in February 2025. The document included a delivery plan of counter fraud activity to ensure the Council's ongoing success in fighting fraud. A forthcoming Council-wide fraud risk assessment aims to better identify potential fraud and target resources effectively. (3.4.8.9.2/5)
67. Ensuing discussions covered ongoing efforts to combat fraud, particularly in Council Tax, along with the potential for AI technology to improve fraud detection. The Committee noted progress would be reported annually and discussed the formation, with Leadership Team approval being sought, of a counter fraud working group to enhance fraud risk identification.

## Internal Audit

68. 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).

69. The Committee considered the Annual Internal Audit Report 2023-24, 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 2024 (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 2024, the organisation had an adequate and effective framework for risk management, governance and internal control.
70. Following discussion on a range of areas, including resourcing of internal audit, housing affordability risk, assurance ratings used by internal audit and the Council's strategic risk assessment matrix, the Committee noted the report.
71. As part of her annual report, the Head of Audit and Risk also presented the outcome of the annual self-assessment to evaluate ongoing conformance with the Public Sector Internal Audit Standards (3.4.8.10.11/13). The Committee noted progress with addressing the improvement areas identified, with all but one action successfully completed.
72. The Committee has responsibility for reviewing and approving the Internal Audit Charter, which defines the internal audit's activity, purpose, authority, and responsibility (3.4.8.10.2) as well as outlining the safeguards put in place to limit impairments to independence and objectivity arising from the Head of Audit and Risk's additional roles or responsibilities outside of internal auditing (3.4.8.10.13).
73. The Committee approved the Internal Audit Charter at its meeting in April 2024.
74. Following the introduction of the new Global Internal Audit Standards in the UK Public Sector from 1 April 2025, the Head of Audit and Risk undertook a whole-scale review of the Internal Charter to ensure it adhered to the provisions of the new standards. The outcome of this work would be presented to the Committee at its meeting in June 2025.
75. The Committee also has responsibility for approving the annual Internal Audit Strategy (3.4.8.10.1/3/4/5), which determines the priorities of internal audit activity, consistent with the organisation's goals. Similarly to above, the Head of Audit and Risk has undertaken a gap-analysis with the provisions of the new Global Internal Audit Standards in the UK Public Sector to ensure the Internal Audit Strategy complies with the new standards. The Internal Audit Strategy for 2025-26 will be presented to the Committee at its meeting in June 2025.
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 (July, September, December 2024 and February and May 2025). 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 (3.4.8.10.9/10).
77. The Committee monitored the implementation of agreed actions through the receipt of two reports, in September 2024 and May 2025 respectively (3.4.8.10.9). The Committee considered the Council's performance and the status of all outstanding issues/risks/opportunities raised by internal audit, including detailed summaries of progress with addressing 'major/amber' rated issues/risks/opportunities.

78. The Committee and the Head of Audit and Risk engage effectively (3.4.8.10.15). 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 (3.4.8.10.15).

## External Audit

79. The Committee oversees the external audit arrangements and considers the scope and depth of external audit work.
80. The Committee received Audit Wales's detailed plan for 2024, which set out the work proposed to be undertaken in relation to the financial audit, the performance audit programme for the year, along with the audit reporting timetable, at its meeting in June 2024 (3.4.8.11.1/3).
81. The report also provided details of the audit team and the proposed audit fee for the activities set out. (3.4.8.11.3).
82. 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 November 2024. Following discussions around confirmation of completion of the financial statements audit, accounting and audit deadlines and the impact of these on finance staff leading to errors, and points of clarity relating to capital and revenue expenditure, it was resolved to note the external auditor's report for its audit of the 2023-24 Financial Statements.
83. The Committee resolved to note Audit Wales's Annual Audit Summary report for 2024, which showed a summary of the outcome of each piece of work completed, at its meeting in May 2025.
84. The Committee received quarterly updates during the year (in June, September, December 2024 and May 2025) and external audit reports, including the audit of the Council's process for setting wellbeing objectives (June 2024) and two reports focussed

on local government financial sustainability which included a national review and a specific report on the Isle of Anglesey County Council (February 2025) (3.4.8.12.5).

85. The Committee monitored the implementation of external audit recommendations and received a report from the Head of Profession (HR) and Transformation in December 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).
86. 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).
87. The Governance and Audit Committee met privately and separately with external and internal audit without officers present, following its meeting in May 2025 (3.4.8.2.6 / 3.4.8.11.5).

## Financial reporting

88. The Committee reviews and scrutinises the Council's financial affairs, making reports and recommendations in relation to them (3.4.8.12.1). It monitors the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met (3.4.8.12.2).
89. Prior to approval by full Council, the Committee reviewed the Authority's draft and final annual financial statements for 2023-24 (July and November 2024 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 (3.4.8.12.3).
90. In considering the draft financial statements in July 2024, the Committee discussed several factors, including school balances, Electrical Installation Condition Report certificates and potential

liabilities, increased short-term creditors due to invoicing backlogs, and discrepancies in capital grants. The Housing Revenue Account and its reserves, including the use of S106 contributions, overspending in Children and Families' Services, the use of reserves to balance the budget and the categorisation of capitalised expenditures were also scrutinised.

91. Following further discussion on the complexity of the accounts for the public and their understanding of the financial pressures it faces, and a request for a review of the term 'capitalisation' related to a specific sum in the accounts, the Committee resolved to note the draft unaudited main financial statements for 2023-24.
92. 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 (3.4.8.12.4/5) at its meeting in November 2024.
93. Following discussion (see [External Audit](#) above), the Committee resolved to note External Audit's Report on the Financial Statements for 2023-24.

## Complaints handling

94. The Committee has responsibility for reviewing and assessing the Authority's ability to handle complaints effectively (3.4.8.14.1).
95. The Committee considered the Director of Function (Council Business)/Monitoring Officer's Annual Concerns, Complaints and Whistleblowing report for 2023-24 which set out issues arising under the Council's Concerns and Complaints Policy along with the number of whistleblowing disclosures made under the Council's Whistleblowing Policy for the period 1 April 2023 to 31 March 2024, at its meeting in September 2024.
96. Subsequent discussions were focussed on the use of the CRM system as a means of managing the complaints process by services, reporting of social services complaints and the length of time taken

for Public Services Ombudsman for Wales (PSOW) investigations following a complaint against an elected member. The Committee also received an update from the Head of Housing Services whose service area had experienced a high number of concerns and complaints during the period. The Committee resolved to accept the report.

97. The Committee received the Public Services Ombudsman for Wales (PSOW) Annual Letter 2023-24 at its meeting in December 2024. 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).
98. Following discussion, the Committee resolved to note and accept the Annual Letter 2023-24 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 (3.4.8.1.3 / 3.4.8.14.2).

## Self-assessment report

99. 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 (3.4.8.1.3 / 3.4.8.15.1).
100. The Committee considered the Annual Draft Self-Assessment Report 2023-24, which provided an evidence-based assessment of how the Council performed in the year using its available resources whilst managing and mitigating associated risks, at its meeting in July 2024. (3.4.8.1.4).
101. In reviewing the report, the Committee noted a contradiction between the high assessment of financial planning and workforce



planning in the context of the identified need for improvement in financial resilience due to external economic pressures and workforce challenges. Discussions were also had about the Council's approach to risk management and its appetite for maximising opportunities for improvement (3.4.8.4.4).

102. The Committee resolved to endorse the contents of the draft self-assessment report for 2023-24 and recommend it to the Executive for approval (3.4.8.15.1/2/3/4).

## Panel performance assessment

103. At least once during an electoral cycle a panel performance assessment (PPA) 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).
104. 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 (3.4.8.4.3 / 3.4.8.16.1/2/3/4).
105. A panel performance assessment was not conducted during 2024-25. However, a PPA is planned for 2025-26.

## Auditor General inspection

106. 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).
107. 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.

108. 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).
109. The Auditor General did not carry out any special inspections of the Council during 2024-25.

## Appendix A – Frequency of meetings and attendance

Members	27/06/24	18/07/24	19/09/24	27/11/24	05/12/24	11/02/25	08/05/25	Meetings attended (%)
Mr Dilwyn Evans (Lay Member) (Chair)	✓	✓	✓	✓	✓	✓	✓	100
Cllr Euryrn Morris (Deputy Chair)	Apologies	✓	Apologies	✓	Apologies	✓	✓	57
Cllr Geraint Bebb	✓	✓	Apologies	✓	✓	✓	✓	86
Cllr Dyfed Wyn Jones <sup>4</sup>	No	✓	Apologies	-	-	-	-	33
Mr William Parry (Lay Member)	✓	✓	✓	No	✓	✓	✓	86
Cllr Keith Roberts	✓	✓	✓	✓	No	✓	✓	86
Cllr Kenneth Hughes <sup>5</sup>	-	-	-	-	-	Apologies	✓	50
Cllr Margaret M. Roberts	No	✓	✓	✓	✓	✓	✓	86
Mrs Sharon Warnes (Lay Member) <sup>6</sup>	✓	✓	✓	✓	✓	✓	-	100
Mr Michael Wilson (Lay Member)	✓	✓	✓	✓	✓	✓	No	86
Cllr Liz Wood <sup>5</sup>	Apologies	No	Apologies	No	Apologies	-	-	0
Cllr Aled Morris Jones <sup>5</sup>	-	-	-	-	-	✓	Apologies	50
Cllr Trefor Lloyd Hughes	✓	✓	✓	✓	No	No	No	0
Cllr Ieuan Williams	✓	✓	Apologies	✓	✓	✓	✓	86
Cllr Robin Williams (Finance Portfolio Holder)	✓	✓	✓	✓	✓	✓	✓	100
<b>Total for Committee<sup>7</sup></b>	<b>8</b>	<b>12</b>	<b>8</b>	<b>10</b>	<b>8</b>	<b>11</b>	<b>9</b>	<b>65% (average)</b>

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<sup>4</sup> In October 2024, Councillor Dyfed Wyn Jones left the Governance and Audit Committee to join the Executive.

<sup>5</sup> In February 2024, Councillor Liz Wood left the Committee and Councillors Kenneth Hughes and Aled Morris Jones joined the Committee.

<sup>6</sup> Mrs Sharon Warnes passed away before the 8 May 2025 meeting.

<sup>7</sup> 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 – Current Member Training 2022-25 and Briefings

		Mr Dilwyn Evans (LM) (Chair)	Cllr Euryr Morris (Deputy Chair)	Cllr Geraint Bebb	Mr William Parry (LM)	Cllr Keith Roberts	Cllr Margaret M. Roberts	Mrs Sharon Warnes (LM)	Mr Michael Wilson (LM)	Cllr Trefor Lloyd Hughes	Cllr Ieuan Williams	Cllr Kenneth Hughes	Cllr Aled Morris Jones	Total	
Page 79	Committee Specific	Induction	23/06/22	23/06/22	23/06/22	Apologies	23/06/22	23/06/2022	23/06/22	23/06/22	11/05/22	11/05/22	-	20/05/22	10/12 (83%)
		Financial Statements	13/07/22	13/07/22	13/07/22	Absent	13/07/22	Apologies	13/07/22	13/07/22	19/05/22	19/05/22	-	-	8/12 (67%)
		Complaints	09/09/22	09/09/22	09/09/22	09/09/22	09/09/22	(21/07/21)	09/09/22	09/09/22	-	-	-	-	8/12 (67%)
		Treasury Management	14/09/22 15/09/23	14/09/22 15/09/23	Apologies	Absent	14/09/22	15/09/23	14/09/22	14/09/22 15/09/23	-	-	(07/11/19)	-	7/12 (58%)
		Understanding Local Authority Accounts for Councillors	22/06/23	-	24/08/23	-	-	-	-	22/06/23	-	-	-	-	3/12 (25%)
		Effective Chairing Skills	17/10/23	11/10/23	11/10/23	17/10/23	-	-	17/10/23	11/10/23	23/03/23	23/03/23	-	-	8/12 (67%)
		Countering Fraud and Corruption	04/12/23	-	04/12/23	04/12/23	04/12/23	04/12/23	04/12/23	04/12/23	-	04/12/23	-	-	8/12 (67%)
		Risk Management	13/03/24	-	-	-	-	-	19/03/24	19/03/24	-	-	-	-	3/12 (25%)
		Introduction to AI and Risk Mitigation	11/02/25	11/02/25	11/02/25	11/02/25	11/02/25	11/02/25	11/02/25	11/02/25	-	11/02/25	-	11/02/25	10/12 (83%)
Mandatory		General Data Protection Regulations (GDPR)	05/09/22	07/09/22	16/11/23	-	07/09/22	15/11/23	19/10/22	(22/02/19)	16/11/23	16/11/23	19/11/24	16/11/23	11/12 (92%)
		Cyber Awareness <sup>8</sup>	12/05/22	18/05/22	12/05/22	-	11/05/22	11/05/22	12/05/22	12/05/22	11/05/22	11/05/22	-	12/05/22	10/12 (83%)
		Basic Safeguarding Awareness	-	20/09/22	27/11/23	-	20/09/22	20/09/22	-	-	27/11/23	20/09/22	-	20/09/22	7/12 (58%)
		Violence Against Women, Domestic Abuse and Sexual Violence*	Optional	12/06/22	29/09/22	Optional	Not started	Not started	Optional	(21/12/17)	Not started	Not started	Not started	Not started	3/8 (38%)
		Prevent*	12/09/19	12/06/22	19/05/24	Optional	Not started	Not started	Optional	Optional	Not started	Not started	Not started	Not started	3/8 (38%)
		Modern Slavery*	Optional	07/09/23	19/05/24	Optional	Not started	Not started	Optional	Optional	Not started	Not started	Not started	Not started	2/8 (25%)
Total Attendance / Completion		92%	80%	87%	33%	60%	53%	83%	92%	40%	53%	13%	33%		

<sup>8</sup> Cyber awareness formed part of introductory training for new Council cohort in May 2022

\* Optional for lay members.

## Committee-specific briefings

Title	Area	Medium	Provider	Date Provided
Audit Committee Update – Issue 40: New Internal Audit Standards	Forthcoming <a href="#">changes</a> to the internal audit standards and how that will impact on audit committee members.	Newsletter	CIPFA	24/12/24
CIPFA Better Governance Newsletter	Information for audit committees regarding the publication of the CIPFA Code of Practice to support authorities in establishing and maintaining their internal audit arrangements, along with information about the consultation on the Addendum to the 2016 Governance Framework covering the annual review of governance and the annual governance statement.	Newsletter	CIPFA	07/02/25
Audit Committees: effective practices and a positive impact pocket guide	Audit Wales has published a <a href="#">pocket guide</a> which summarises effective practices for audit committees.	Pocket guide	Audit Wales	25/02/25
Audit Committee Update – Issue 42: Governance of Internal Audit	The new <a href="#">Code of Practice</a> on the Governance of Internal Audit that comes into effect from 1 April 2025.	Newsletter	CIPFA	17/04/25
CIPFA Public Finance Article – AI adoption ‘could save English and Welsh councils £8bn a year’	<a href="#">Article</a> which estimates that local authorities in England and Wales could save £8bn annually by integrating artificial intelligence into their operations.	Professional Magazine Article	CIPFA	15/05/25
CIPFA / Solace Delivering Good Governance in Local Government: Publication of Addendum	Publication of new <a href="#">guidance</a> on the annual review of governance and internal controls and the preparation of the annual governance statement (AGS) that comes into effect for the 2025-26 financial year.	Publication	CIPFA	20/05/25

## Appendix C – Meeting Outcome Summary

Date	Outcome of meeting
27 June 2024	<p>The Committee considered <b>eight</b> substantive items.</p> <p>The Committee considered <b>Internal Audit’s Annual Report 2023/24</b>. The report provided assurance to the Committee, with the Head of Audit and Risk’s annual opinion confirming that the Council has an adequate framework for risk management, governance, and internal control. Discussions included issues on housing affordability and internal audit resourcing.</p> <p>The Committee considered and approved its revised <b>Terms of Reference</b>, which had been streamlined based on the recommendations made by CIPFA, as part of its effectiveness review. The Committee also received an <b>update on progress</b> with implementing the remaining CIPFA recommendations from this review. Discussions covered training on risk mitigation and AI, with the Committee approving progress and scheduling a further update in six months’ time. The Committee also endorsed the <b>Chair’s Annual Report 2023/24</b> for submission to Full Council, subject to a minor amendment to the training record in Appendix B of the document.</p> <p>Audit Wales provided an update on its <b>work programmes</b> for its financial and performance work as at 31 March 2024, as well its <b>detailed audit plan for 2024</b>, including the financial statements’ audit timetable, planned performance audit work and proposed audit fees. The Committee also considered <b>Audit Wales’s report on the Council’s process for setting wellbeing objectives</b>. Following a request to clarify the distinction between unemployed and economically inactive individuals, the Committee noted the report and requested that economic inactivity be included as part of the Council’s population trends dataset.</p> <p>The Committee reviewed and was satisfied with the progress of actions from previous meetings and was also content to accept the <b>Forward Work Programme</b> as proposed.</p>
18 July 2024	<p>The Committee considered <b>five</b> substantive items.</p> <p>The Committee reviewed the <b>Draft Statement of Accounts for 2023-24</b>, with discussions focusing on several key concerns, including school balances, particularly those in deficit, Electrical Installation Condition Report certificates and potential liabilities, increased short-term creditors due to invoicing backlogs, and discrepancies in capital grants. The Housing Revenue Account and its reserves, including the use of S106 contributions, overspending in Children and Families’ Services, the use of reserves to balance the budget and the categorisation of capitalised expenditures were also scrutinised. The Committee noted an increase in Council Tax income, partly due to changes in the Council Tax premium on second homes. The Committee expressed concerns about the complexity of the accounts for the public, that financial pressures, particularly in social care, could challenge the Council’s resilience and requested a review of the term ‘capitalisation’ related to a specific sum in the accounts.</p> <p>The Committee discussed the <b>Draft Annual Governance Statement for 2023-24</b>, highlighting concerns about the Council’s compliance timeline with the new Procurement Act 2023, lack of training on the General Power of Competence under the Local Government and Elections (Wales) Act 2021, which was flagged as unresolved, and resource limitations affecting asset management and efficiency reviews. Additionally, the Committee reviewed the <b>Draft Annual Corporate Self-Assessment Report 2023-24</b>, noting a contradiction between the high assessment of financial planning and workforce planning versus the identified need for improvement in financial resilience due to external economic pressures and workforce challenges. The Committee endorsed this report and recommended it to the Executive for approval.</p> <p>An update on three <b>internal audits</b> raised concerns about the contrast between the Corporate Self-Assessment’s positive evaluation of procurement and contract management and the procurement issues highlighted in the IT Supplier Management audit, the capacity of Internal Audit, and the cost-effectiveness of outsourcing expertise. Issues regarding the Maritime Team’s income processes were discussed privately.</p>

	<p>The Committee reviewed the <b>National Fraud Initiative</b> outcomes, acknowledging progress with estimated savings of £3,838 but noted resource constraints that could hinder fraud prevention efforts.</p> <p>Finally, the Committee reviewed and was satisfied with the progress of actions from previous meetings and was also content to accept the Forward Work Programme as proposed.</p>
<p><b>19 September 2024</b></p>	<p>The Committee considered <b>seven</b> substantive items.</p> <p>The Committee received and accepted the <b>Senior Information Risk Owner's</b> statement and overview of the Council's compliance with legal frameworks during 2023-24, such as the UK GDPR, Data Protection Act 2018, Freedom of Information Act 2000 (FOIA), and other regulations. Key highlights included interactions with external regulators, security incidents, and breaches. At the invitation of the Chair, officers from Learning, Public Protection, Resources and Information Technology services gave reasons for late responses to FOIA requests, which included limited resources, complexity of requests, and operational demands. Discussions also covered the responsibility of assigning FOIA requests, handling subject access requests pending identity verification, and ensuring third-party compliance with GDPR when the Council contracts services involving personal data processing.</p> <p>The Committee received the Council's <b>Concerns and Complaints Policy and Whistleblowing disclosures</b> for 2023-24, which included an overview of how complaints were handled and an update on the development of the Customer Relationship Management (CRM) system to track complaints in real-time. At the invitation of the Chair, the Head of Housing Services explained that Housing Services faced a higher volume of complaints due to regular interactions with the public and that improvements, especially in communication, were being made. The Committee resolved to accept the report as assurance of the Council's compliance with its policies, note the lessons learned and asked for headline details of Social Services complaints in future reports to be included in the report and to refer the Committee's concern over Public Services Ombudsman for Wales (PSOW) delays in resolving complaints against elected members to the Standards Committee.</p> <p>The Committee received a review of <b>treasury management activity for 2023-24</b>, which covered key issues, comparing the performance against the 2023-24 Treasury Management Strategy and Prudential Indicators. The Director outlined external factors, the Council's capital expenditure and financing, reserves and cash balances, borrowing, investment activities, and compliance with the prudential indicators, confirming performance aligned with the strategy. The Committee queried the reduction in school balances (from £6.7m to £5.5m) and its impact on schools moving forward. The Committee resolved to note and forward the report to the Executive, with an additional action to review the report for tense consistency and clarity.</p> <p>The Committee considered a report on the Internal Audit's activities to mitigate the <b>risk of fraud, bribery, and corruption</b> within the Council during 2023-24. The report assessed the effectiveness of the Council's anti-fraud measures, progress in addressing the Auditor General's recommendations, and highlighted current fraud risks and future challenges. An action plan for 2022-2025 was also included. The Committee discussed whether a local version of the regional counter fraud working group (part of the North and Mid-Wales Audit Partnership) would be established internally, and how the CRM system, and the STAR programme aimed at improving procurement, could support anti-fraud efforts. The Committee resolved to take the assurance provided on the effectiveness of the Council's arrangements to minimise fraud risk.</p> <p>The Committee considered the <b>internal audits</b> completed since the last meeting, along with the current workload and priorities of Internal Audit for the near future. Two assurance reports were shared with Committee members: one on Direct Debit Management and the other on Continuous Monitoring of Duplicate Payments, both receiving 'Reasonable Assurance.' The Committee noted progress made by the Payments Team in reducing duplicate invoice payments and the procedures for recovering duplicate payments from suppliers, and clarified the process for handling bad debts, including how provisions are adjusted and charged.</p> <p>In addition, the Committee deemed the Council's progress in addressing <b>outstanding actions</b> to be satisfactory following an update provided on the current status of issues/risks and opportunities identified by Internal Audit.</p>

	<p>Audit Wales updated the Committee on its <b>work programme and timetable</b> as of June 2024, along with regulatory work being conducted by Estyn and CIW. The Committee noted that the Thematic Review of Unscheduled Care would be presented at the November meeting of the Partnership and Regeneration Scrutiny Committee, with representatives from BCUHB in attendance.</p> <p>Finally, the Committee reviewed and was satisfied with the progress of actions from previous meetings and was also content to accept the Forward Work Programme as proposed but noted that there may be an additional Committee meeting required in November for the submission and sign-off of the audited accounts.</p>
27 November 2024	<p>The Committee considered <b>one</b> substantive item during this extraordinary meeting held to consider the <b>Final Statement of Accounts for 2023/24</b>, Annual Governance Statement and External Auditor's report on the audit of the 2023/24 financial statements (ISA 260 report).</p> <p>The Director of Function (Resources) and Section 151 Officer confirmed that the audited Statement of Accounts would be signed following Full Council review on 3 December 2024, marginally missing the extended deadline of 30 November 2024. Following submission for audit on 28 June 2024, Audit Wales had concluded that the financial statements accurately represented the Council's financial position as of 31 March 2024. Some changes were recommended and implemented by the Council, but these did not affect the reported underspend of £1.732m as noted in July 2024. The Section 151 Officer guided the Committee through the amendments, confirming most changes involved the balance sheet and grant income-related expenditure, with no impact on revenue. He expressed gratitude to both the Council's Finance Service team and Audit Wales for their efforts.</p> <p>The Annual Governance Statement for 2023/24 highlighted that four out of five governance weaknesses from the prior year were resolved, with one ongoing. The Committee highlighted concerns about the feasibility of ensuring Council assets are fit for purpose given capital funding pressures. It was noted that achieving this goal is aspirational in the current financial climate. The Council has made efforts to streamline processes and digitise operations to reduce costs and enhance service effectiveness. The Committee acknowledged the progress made while recognising the financial and operational challenges facing the Council.</p> <p>Audit Wales confirmed that the audit process was smooth, with high-quality accounts and working papers provided. An unqualified audit opinion was expected, and the accounts would be certified after Full Council approval on 3 December 2024. They confirmed that amendments were due to tight schedules rather than systemic issues. A significant pension adjustment of £71.145 million was corrected but had no impact on the Balance Sheet or General Fund. The Committee sought clarification about outstanding matters, time pressures on Finance staff, and whether reporting deadlines should be extended. Suggestions included clearer terminology for budget monitoring and capital expenditure in the narrative report.</p> <p>The Committee accepted the audited 2023/24 Statement of Accounts and recommended signing by the Chair of the Council and Section 151 Officer. The Committee also endorsed the Annual Governance Statement 2023/24 as a fair evaluation of governance arrangements. The Audit Wales ISA 260 Report was noted.</p> <p>The meeting concluded with the Chair thanking all contributors to the preparation and audit process, recognising their effort and professionalism.</p>
5 December 2024	<p>The Committee considered <b>12</b> substantive items.</p> <p>The Head of Audit and Risk confirmed that all actions due in the Committee's <b>Action Log</b> were complete, which included the Committee agreeing that the Council's Chief Digital Officer will brief the Committee on Artificial Intelligence risks and mitigations at 1:00 p.m. on 11 February 2025, immediately before the next meeting. The Committee noted the Corporate Planning, Performance and Programme Manager's update on work to monitor economic inactivity within the Council's population trends dataset and progress with governance issues from the 2023/24 assessment.</p> <p>The Committee resolved to make nominations for the <b>North Wales Corporate Joint Committee's (CJC) Governance and Audit Committee</b>. It nominated Councillor Geraint Bebb as the principal member, with Councillor Keith Roberts as the substitute, and Mrs. Sharon Warnes as a lay member.</p>



The Committee reviewed and accepted the **Annual Letter from the Public Services Ombudsman for Wales (PSOW) for 2023/24**, presented by the Director of Function (Council Business)/Monitoring Officer. The letter assessed the Council's performance in handling service complaints and included data on Ombudsman interventions and Member Code of Conduct complaints. Key points raised included the increase in complaints, the high rate of PSOW Interventions and the vacant Complaints Officer role. Assurance was given that although no investigations were deemed necessary, and complaints were largely routine, earlier intervention could have resolved issues more effectively. Complaints handling would continue to be monitored to enable effective scrutiny and progress updates on the identified resolution measures would be provided to the Committee in due course.

The Committee confirmed its satisfaction with a status update on the implementation of recommendations from **CIPFA's 2024 effectiveness review of the Committee**, highlighting that seven recommendations had been fully addressed, two actions were acknowledged but did not require further action and one action remained outstanding, specifically the provision of training for officers reporting to the Committee.

The Committee noted the assurance provided by the Head of Audit and Risk's report on **Internal Audits** completed, current workload and priorities, along with changes to Internal Audit Standards. 'Reasonable Assurance' was provided for three audits - Partnerships Oversight, Counter Fraud Controls in Revenues Refunds and Cybersecurity Assessment Framework Review. The Committee discussed the adequacy of counter-fraud measures, particularly concerning risks posed by Artificial Intelligence in a hybrid working environment and took some assurance that the Council's smaller size, hybrid work model, and people-focused practices mitigate risks from AI-generated cyberattacks and impersonation.

On reviewing the **Towards Net Zero Strategic Plan Annual Report 2023/24**, detailing the Council's progress on climate change mitigation and achieving annual objectives, the Committee took assurance that reasonable measures are in place to manage climate change risks at an acceptable level. Highlights included a reduction in carbon emissions compared to peak levels in 2021/22, decarbonisation upgrades to Council properties supported by Welsh Government grants, the addition of 28 new carbon-neutral homes, expansion of EV charging networks and active travel routes, a new tree nursery site and climate change training for elected members and senior managers. The Committee also heard that reliance on external funding is a risk to achieving net zero by 2030. Supply chain decarbonisation also remains a challenge, with indirect emissions being harder to control and further efforts needed to report internal emissions outcomes versus supply chain sustainability performance. On this point, the Committee questioned whether the Council had influence on its supply chain and its ability to mandate maximum emission without discouraging bidders and whether the reliance on grant funding could slow progress if reduced or withdrawn. The Committee took assurance from the Data Protection Officer (DPO) of **Anglesey Schools' Data Protection Compliance** for the period November 2023 to November 2024, supported by evidence and a summary of actions taken under the Schools Data Protection Development Strategy 2023-24. The Committee endorsed the proposed next steps set out in the updated strategy for 2024-25. Following a query, the DPO assured the Committee that audits would resume following new legislation and provided details of support offered to schools in the interim.

Following consideration of the **Annual Health and Safety Report for 2023/24**, the Committee confirmed it was satisfied with the Council's corporate health and safety measures, took assurance that risks are managed to acceptable levels and supported the implementation of the Corporate Health and Safety Action Plan. The Principal Corporate Health and Safety Advisor highlighted two major issues requiring significant responses during the year - Reinforced Autoclave Aerated Concrete (RAAC) being identified in two schools and an outbreak of Bird Flu. The Committee discussed the strategies to address the increase in slips, trips, falls, and incidents of violence/aggression towards staff and within schools, particularly in primary education where challenging pupil behaviour is a growing concern. The Committee took assurance from the Director of Function (Resources)/Section 15 Officer that the Council is insured for public liability, and claims are routinely dealt with by our insurers, and requiring proof of negligence.

The Committee accepted that the **Council's response to external audit reports and recommendations from regulators** provided assurance that the Council was considering and effectively implementing recommendations. The Corporate Planning, Performance, and Programme Manager reported that 20% of recommendations were completed, 68% were on track, and 12% were behind schedule. Updates were provided on the delayed recommendations. The Chair raised concerns about the lack of timescales for ongoing work and it was agreed that future reports should include timescales for completing responses to recommendations.



The Committee noted the **Audit Wales work programme and timetable quarterly update** as at 30 September 2024 and one change to the Committee's **Forward Work Programme** due to ongoing financial audit work.

Finally, in private session, the Committee considered the **Annual ICT Cyber Security Report 2023/24**, presented by the Lead IT Security Engineer, which provided an update on the Council's cyber security risk mitigation efforts. It detailed challenges, resolutions to security alerts, and ongoing projects. The Committee acknowledged the challenges outlined in the report and expressed satisfaction with the Council's cyber security measures in addressing risks and priorities. Following clarification from the officer on matters raised, the Committee was assured that reasonable measures are in place to manage cyber threats effectively.

11  
February  
2025

The Committee considered **seven** substantive items.

In considering the Committee's **Action Log**, the Committee noted the completion of one action, one action being in progress and the remaining four due to be completed later in the year.

The Head of Audit and Risk provided an **update on completed audits**, ongoing work, and priorities. Two assurance reports on Housing Development, and Recruitment and Retention received 'Reasonable Assurance.' An investigation into alleged favouritism in Property Services' procurement found no misconduct but highlighted areas for improving fraud risk controls. The Committee discussed value for money in purchasing former Council-owned properties, with the Head of Audit and Risk noting the difficulty in demonstrating it in the absence of a formal policy. Recruitment challenges were discussed, including partnerships with colleges, and the Committee requested an assessment of their impact. Concerns over public-private pay disparities were acknowledged, but local government pay scales were noted as nationally set. The Committee also debated whether complainants should be required to meet officers during investigations, with the Head of Audit and Risk emphasising the importance of thoroughly investigating complaints when requested by key officials, such as Portfolio Member and Monitoring Officer.

The Committee took assurance from the Head of Audit and Risk's **Counter Fraud, Bribery, and Corruption Strategy for 2025–2028** with regards the activities Internal Audit will undertake to reduce fraud risks within the Council. Ongoing efforts to combat fraud, particularly in Council Tax, were highlighted, along with the potential for AI technology to improve fraud detection. The Committee noted progress would be reported annually and discussed the formation, with Leadership Team approval being sought, of a counter fraud working group to enhance fraud risk identification.

The Committee received the **mid-year treasury management update** from the Director of Function (Resources)/Section 151 Officer and heard that the Council's financial position remained stable, adhering to prudential indicators. To minimise interest costs, no new external borrowing was undertaken, with internal borrowing continuing to fund capital projects. However, as cash reserves diminish, external borrowing may be required in future. Investment returns were positive, with projected annual interest earnings of £1.322m. The capital budget is expected to underspend by £6.55m, with unspent funds carried forward to 2025/26. The Committee queried the viability of settling a long-standing loan and were informed that early loan repayments often incur high charges, making settlement financially unviable. The Committee queried the expected savings/income from solar panel installations funded through Salix loans and heard that Salix-funded projects require a business case demonstrating savings within 10 years. The Committee requested further details on expected savings from the Salix-funded solar panels and the treasury report format be revised to reduce its length and align with the Governance and Audit Committee template. The Director suggested using the new quarterly treasury management update report as a basis for reporting to the Committee and would forward to the Chair for his views.

The Committee reviewed the **Treasury Management Strategy Statement for 2025/26**, prepared in line with CIPFA guidelines. The strategy maintains a prudent approach, prioritising internal borrowing to reduce costs where possible. However, due to declining reserves and capital expenditure needs, external borrowing may increase, initially on a short-term basis to manage debt efficiently. Investment decisions will focus on security, liquidity, and yield, with funds placed only in highly rated banks or local authorities after due diligence. No issues were raised, and the Committee resolved to forward the report to the Executive without further comment.

The Committee considered the **Audit Wales reports on local government financial sustainability** which included a national review and a specific report on the Isle of Anglesey County Council. The national review highlighted significant risks to council finances, emphasising the need for robust long-term financial planning and transformation strategies. Audit Wales considers that while the Council has effective short- to medium-term financial management, it lacks formalised long-term planning. The Director of Function (Resources) / Section 151 Officer noted challenges in long-term planning due to one-year funding settlements and rising costs. The Council has used reserves to balance budgets while avoiding unnecessary service cuts but is developing a long-term financial strategy, dependent on Welsh Government providing multi-year funding information. The Committee acknowledged these difficulties but encouraged alternative cost-effective service delivery methods, collaboration, and technology use. It also recognised potential financial benefits from the Anglesey Freeport and Wylfa developments. Concerns were raised about the strategic use of reserves, with Audit Wales warning of the risks of depletion without timely action. Discussions also highlighted the Council's need for increased capital funding to improve infrastructure and services. The Council, alongside other Welsh councils, has been lobbying for better funding arrangements. Ultimately, the Committee took assurance that the Council understands its financial position and is working towards a long-term strategy, subject to clearer funding commitments from Welsh Government.

The Committee noted its continued contentment with the **Forward Work Programme**.

8 May 2025

The Committee considered **seven** substantive items.

The Committee reviewed its **Action Log**, receiving reports on the success of the Council's collaboration with colleges, savings from solar panels via Salix funding, and the Quod Anglesey socio-economic analysis. A Treasury Management update for quarter 3 had been circulated earlier, and four actions remained, pending completion later in the year.

The Head of Audit and Risk provided an **update** on completed audits, ongoing work, and priorities. Of the six audits reviewed, four received reasonable assurance and two audits—Disabled Facilities Grants (DFG) and Recovery of Council Tax & Sundry Debts—received limited assurance, indicating ongoing concerns.

The Principal Auditor provided a report on **outstanding Internal Audit issues**. As of 31 March 2025, 52 actions remained—eight 'major' (amber) and 42 'moderate' (yellow). No questions were raised, and the Committee found the Council's progress satisfactory.

The Committee reviewed and endorsed revised **Terms of Reference** reflecting updates to global and UK audit standards. The Head of Audit and Risk outlined changes following new Global Internal Audit Standards, a UK Application Note and CIPFA's Code of Practice, ensuring alignment with governance expectations. A comparison confirmed compliance, enabling the Monitoring Officer to amend the Constitution.

The Committee noted the assurance provided by **Audit Wales's Annual Audit Summary 2024**, which outlined their completed audit work. The Committee reaffirmed its financial sustainability concerns of short-term funding constraints, raised at its last meeting. Audit Wales acknowledged these issues and recommended that the Council adopt an adaptive strategy to mitigate financial risks.

The Committee noted the assurance provided by **Audit Wales's Q3 and Q4 2024/25 Work Programme** update. The report covered local and national audit progress, ongoing regulatory work by Estyn and CIW, financial audits for the 2024/25 Statement of Accounts, grant certification, and planned national studies.

The Committee considered and endorsed the **Forward Work Programme** planned for 2025-26. Members were also invited to share any specific training needs. Following a prior briefing on AI, the Chair raised concerns about its usage within the Council, suggesting policy guidance. The Director of Function (Resources)/Section 151 Officer confirmed he would raise AI policy considerations with the Leadership Team.

ISLE OF ANGLESEY COUNTY COUNCIL	
<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	26 June 2025
<b>Subject:</b>	Internal Audit Annual Report 2024-25
<b>Head of Service:</b>	Marc Jones, Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
<b>Report Author:</b>	Marion Pryor, Head of Audit and Risk <a href="mailto:MarionPryor@anglesey.gov.wales">MarionPryor@anglesey.gov.wales</a>
<p><b>Nature and Reason for Reporting:</b> 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"> <li>• Review an annual report from the Head of Audit and Risk on internal audit performance (3.4.8.10.6).</li> <li>• 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 (3.4.8.10.7).</li> <li>• 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 (3.4.8.10.8).</li> </ul> <p>Additionally, the Public Sector Internal Audit Standards mandate that the chief audit executive produces an Internal Audit Annual Report (Standard 2450).</p>	

## 1. Introduction

- 1.1. This report provides the Committee with the Internal Audit Annual Report for 2024-25, 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.
- 1.2. Based on the work carried out during the year and the assurances provided, for the 12 months ended 31 March 2025, 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.
- 1.3. 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.
- 1.4. In addition, following an internal assessment, the internal audit function 'generally conforms' with the Public Sector Internal Audit Standards.

## 2. New requirements going forward

- 2.1. For 2025-26, the new 'Global Internal Audit Standards in the UK Public Sector' will apply, which is a framework based on the [Global internal Audit Standards](#) (GIAS), issued by the Institute of Internal Auditors (IIA), an [Application Note – Global Internal Audit Standards in the UK Public Sector](#), issued by the Relevant Internal Audit Standards Setters (RIASS) and a [CIPFA Code on the Governance of Internal Audit](#), which provides specific requirements applicable to the local government sector.
- 2.2. This has introduced the requirement for the chief audit executive to make a conclusion at the level of the organisation about the effectiveness of governance, risk management and/or control. In the UK local government sector, a chief audit executive is already required to prepare such an overall conclusion at least annually in support of wider governance reporting. Therefore, the annual report as currently drafted, complies with the new requirements going forward.

## 3. Recommendation

- 3.1. 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 2024-25

June 2025



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



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## Introduction

- For the financial year 2024-25, the Public Sector Internal Audit Standards (PSIAS)<sup>1</sup> 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 Statement.
- 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](#)

<sup>1</sup> From 1 April 2025, the Public Sector Internal Audit Standards (PSIAS) are superseded by the Global Internal Audit Standards in the UK Public Sector, detailed [later](#) in the report.



## Internal Audit Opinion

### Head of Internal Audit Opinion 2024-25

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For the 12 months ended 31 March 2025, 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.

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## 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 2024-25, 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 Governance and Audit Committee approved in April 2024. 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 Assurance<sup>2</sup>

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 2024-25, following a comprehensive review of the Council's risks to achieving its corporate priorities, 11 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 8 (80%) (9 / 82% in 2023-24) 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 but one of the strategic risks we reviewed.
12. We provided 'Limited' assurance for one audit (IT Supplier Management) in July 2024.
13. The IT Audit Team at Salford Council conducted this piece of work on our behalf. They concluded that, in the main, the Council is not adequately mitigating the key risks associated with managing its IT suppliers to an acceptable level.
14. The review found that these issues were symptomatic of a wider procurement issue within the Council which is being addressed as part of a two-year improvement programme led by an external procurement specialist.
15. We are currently undertaking a follow up review in this area to assess progress in addressing the issues/risks/opportunities identified.

<sup>2</sup> Definitions of assurance ratings in place during 2024-25 can be found at [Appendix A](#)

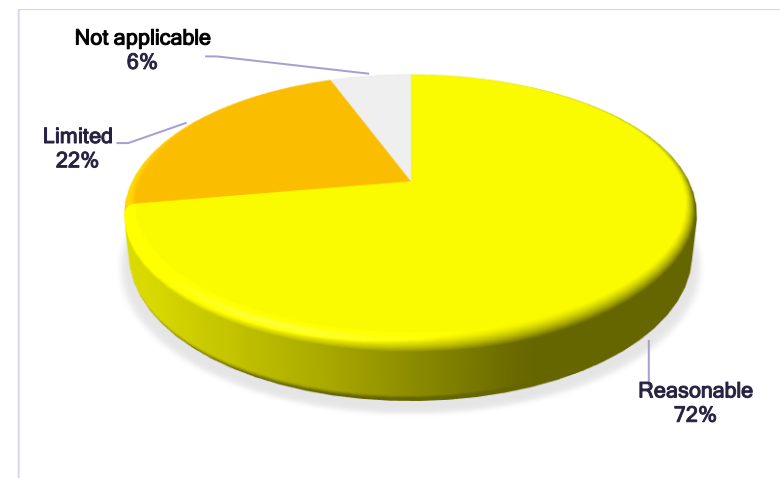


## Other audit work

16. 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).
17. Of the 12 audits (14 in 2023-24) of this type we undertook during 2024-25, we were able to provide:
  - None with 'Substantial' assurance (none in 2023-24),
  - Eight with 'Reasonable' assurance (eight in 2023-24),
  - Three with 'Limited' assurance (two in 2023-24), and,
  - One investigation which did not provide an assurance rating.
18. Two of the three limited assurance reports relate to an audit of the administration of Disabled Facilities Grants. Following the original audit in April 2024, we carried out a follow up in March 2025. Though our follow up work found that the Housing service had made some progress in addressing the issues/risks raised in our original review, further work was needed and we were unable to increase the assurance rating from limited. We will conduct a second follow up during 2025-26.
19. We also revisited an audit of Recovery of Council Tax, Non-Domestic Rates and Sundry Debts. The Service had made further progress in improving its recovery processes, notably establishing advance payments, simplifying customer payment processes on the Council's website, and aligning the sundry debt financial system with billing and recovery processes.
20. However, substantial older debts remain unresolved due to limited resources and legal action to recover sundry debts had not been fully pursued. Without additional resource, resolving this situation would be challenging. A full review of the revised recovery process will be included in the Internal Audit Strategy and Plan for 2025-26.

## Internal Audit Assurance ratings provided during 2024-25

21. Overall, we were able to provide 'Reasonable' assurance or above for 72% (86% in 2023-24) of the audits we undertook during 2024-25.



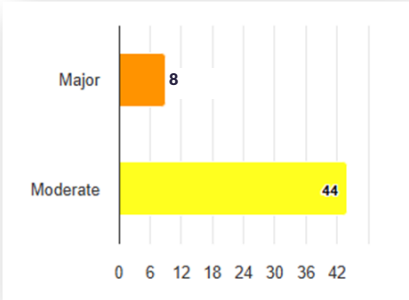
22. Four audits (22%) received 'Limited' assurance during the year, compared to two (14%) in 2023-24. In accordance with our protocol, we formally revisit all the 'Issues/Risks/Opportunities' raised in reports with a 'Limited' assurance, when they become due, to ensure they are effectively addressed.
23. Notably, no audits received 'No' assurance and no 'Critical' (red) 'Issues/Risks/Opportunities' were raised during the year.
24. Where we identified 'Issues/Risks/Opportunities', management accepted them all. The remaining 'Issues/Risks/Opportunities' were monitored via our action tracking system, 4action, discussed in further detail in the following section.

Issues / Risks / Opportunities Raised

25. We use the Council’s action tracking system 4action to monitor the ‘Issues’, ‘Risks’ and ‘Opportunities’ 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.
26. The following graphs show the outstanding actions as at 31 March 2025. It should be noted that no ‘Critical’ (red) issues/ risks/ opportunities were raised during the year and there are no ‘Critical’ (red) ‘issues/risks/opportunities’ currently outstanding.

Current Actions

27. We actively monitor all actions and pursue them with management when they become due to ensure they are addressed.
28. As at 31 March 2025, we are tracking 52 outstanding actions (39 as at 31 March 2024). Of these, eight (four in 2023-24) are assessed as ‘major’ (amber) and 44 (35 in 2023-24) ‘moderate’ (yellow) risks, as shown below.



Overdue Actions

29. At the 31 March 2025, there are currently no actions that have reached their target date for completion which have become ‘overdue’.

Issues / Risks / Opportunities by Year



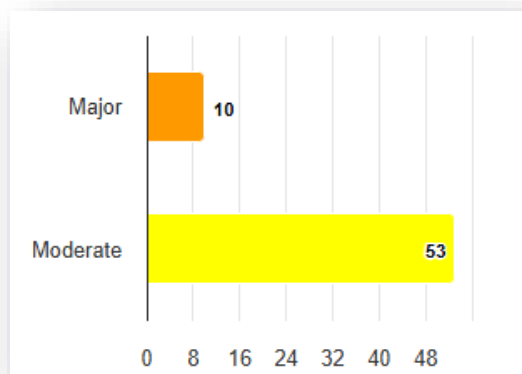
30. Of the 52 (39 in 2023-24) actions we are tracking, these were raised between 2019-20 and 2024-25.
31. While the graph above indicates the majority relate to the current and last financial year, there are two ‘issue/risks’ dating back to 2019-20 and 2021-22 that management has yet to fully address.
32. These relate to finalising the Council’s assurance mapping arrangements and work to digitise the Council’s housing application process, which are both in the process of being addressed.
33. They are both rated as ‘moderate’ or ‘yellow’ in risk priority, and we are assured by management that:
- The Council has completed the upgrade of its Risk Management system and Internal Audit routinely populates third line assurances following relevant audit work. However, as the Chartered Institute of Public

Finance and Accountancy (CIPFA) will shortly be publishing guidance for local authorities on assurance mapping, the Council has paused developing its assurance map further until this guidance is available.

- Final testing of the Council's housing application process through its Customer Relationship Management (CRM) system is underway. The Housing service expects online applications to go live in the next 2-3 months.

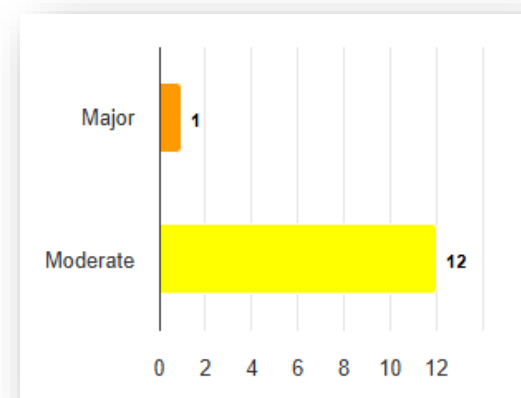
34. It should be noted that there are no 'major' rated issues/risks/opportunities dating back further than 2023-24. This demonstrates that management are prioritising addressing risks of higher priority.

#### Issues / Risks / Opportunities raised in 2024-25



35. During 2024-25, we raised 63 (59 in 2023-24) 'Issues/Risks/Opportunities' that required management attention. Of these, we classified ten (nine in 2023-24) as 'major' (amber) and 53 (50 in 2023-24) as 'moderate' (yellow).

#### Issues / Risks / Opportunities raised, became due and addressed in 2024-25



36. 13 (22 in 2023-24) of the actions raised became due for completion in 2024-25 and management addressed all 13 (21 in 2023-24) before 31 March 2025. This represents 100% performance in this area (95% in 2023-24).

# Our Performance

- 37. 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.
- 38. The loss of two members of staff from the Risk and Insurance section of the wider team, due to obtaining other roles within the Council during 2024-25, and part way through the quinquennial insurance tender exercise, put additional strain on the team to backfill these roles urgently.
- 39. Additional claims handling resource was obtained from our insurers, but some requests for support from services had to be declined and implementation of the counter fraud strategy had to be postponed.

## Adding Value

- 40. 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 training delivered as part of the procurement improvement programme, training of new head teachers and governors around Unofficial School Funds, and IT audit.
- 41. We have also continued to support peers regionally, nationally across Wales, and the North West of England, by sharing good practice and work programmes, along with areas of emerging risk.

# Performance Measures

- 42. We have a quality assurance and improvement programme to ensure continuous improvement of our internal audit service.
- 43. In April 2024, the Governance and Audit Committee agreed a number of performance targets within the Strategy for 2024-25, which can be seen below.

Performance Indicator	Target 2023-24	Actual 2023-24	Target 2024-25	Actual 2024-25
Red / Amber Residual Risks in the Strategic Risk Register audited (over a rolling 24-month period)	80%	82%	80%	80%
Audits completed within six months	85%	84%	85%	83%
Clients' responses at least 'satisfied'	100%	100%	100%	100%
Number of staff (FTE <sup>3</sup> )	4.0 FTE	3.3 FTE	2.8 FTE	2.8 FTE
All fraud alerts received, considered, distributed.	100%	100%	100%	100%
Outcome of the internal (annually) and external (five-yearly) assessments of the quality assurance and improvement programme.	Generally Conforms	Generally Conforms	Generally Conforms	Generally Conforms

- 44. We have performed well against most of our targets, with five out of six indicators meeting their target.

<sup>3</sup> Full Time Equivalent (FTE)

45. Crucially, we have achieved our target of reviewing 80% 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.
46. One area failed to fully achieve its target performance level; audits completed within six months. Two audits took longer than the six-month deadline (7.2 and 8.5 months respectively) due to delays caused by the involvement of key staff with the general election, as well as delays in securing agreement to the action plan and final report. The completion of an investigation was delayed (9.9 months) due to waiting for information from the complainant.

### Benchmarking

47. The Welsh Chief Auditors Group benchmarks performance. However, the measures are not comparable and therefore do not provide a meaningful indication of performance.

## Training and Development

48. All current members of the team have a variety of professional qualifications, with a good mix including CIPFA, CIIA<sup>4</sup>, IRRV<sup>5</sup>, ACFS and ACFTech<sup>6</sup>.
49. The service has invested significantly to ensure they continue their professional development and stay abreast of emerging risks and developments in the sector.
50. We are currently supporting the Senior Auditor in their studies towards the Chartered Institute of Internal Auditors professional qualification.
51. We have also participated in all the mandatory corporate training, where required.

<sup>4</sup> The Chartered Institute of Internal Auditors (CIIA) is a professional association for internal auditors.

<sup>5</sup> The Institute of Revenues Rating and Valuation (IRRV) is the professional body for local taxation, benefits and valuation.

<sup>6</sup> 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)

52. 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.
53. An external assessment of the Isle of Anglesey County Council Internal Audit Service was last undertaken via peer review, by Flintshire County Council.
54. 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)

55. 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.
56. The self-assessment is undertaken annually with an action plan developed to address any areas for improvement ([Appendix D](#) refers). Just one area of partial conformance remains, relating to Standard 2050 ‘Coordination and Reliance, which requires 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.

57. 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.
58. An assurance map has been developed. Internal Audit has populated the third line assurance, and the assurance map is currently with the Performance Team for the first- and second-line assurances to be populated. However, little progress has been made and was postponed pending the publication of guidance from CIPFA, which was published in May 2025.

## Statement of Independence (Standard 1110)

59. Standard 1110 requires the chief audit executive to confirm, at least annually, the organisational independence of the internal audit activity.
60. 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 approved by the Committee on 18 April 2024.
61. 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.

## Global Internal Audit Standards in the UK Public Sector)

62. From 1 April 2025, the Public Sector Internal Audit Standards (PSIAS) are superseded by the 'Global Internal Audit Standards in the UK Public Sector', consisting of the [Global Internal Audit Standards](#) (GIAS) of the IIA and the [Application Note: Global Internal Audit Standards in the UK public sector](#).
63. In addition, the Application Note directs local government sector bodies to apply the [CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government](#) to support authorities in establishing their internal audit arrangements and providing oversight and support for internal audit.
64. This new standards framework for internal auditing within local government organisations, such as the Council, is applicable from 2025-26 onwards.
65. GIAS 11.3 'Communicating Results' references the possibility that a chief audit executive may be required to make a conclusion at the level of the organisation about the effectiveness of governance, risk management and/or control. In the UK public sector, a chief audit executive must prepare such an overall conclusion at least annually in support of wider governance reporting, mindful of any specific sector obligations or processes. This overall conclusion must encompass governance, risk management and control.<sup>7</sup> For 2025-26 onwards, this annual report will satisfy this requirement.

## Challenges and opportunities going forward

66. 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.
67. 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.
68. 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.
69. Achieving this requires trained internal auditors supported by modern approaches and professional standards. It needs both capacity and capability.
70. 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.

<sup>7</sup> Application Note: Global Internal Audit Standards in the UK public sector (10.B)

## Appendix A: Definition of Assurance Ratings 2024-25

Level of Assurance	Definition
<b>Substantial Assurance</b>	<p>Arrangements for governance, risk management and internal control are <b>good</b>.</p> <p>We found no significant or material Risks/Issues.</p>
<b>Reasonable Assurance</b>	<p>Arrangements for governance, risk management and/or internal control are <b>reasonable</b>.</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>
<b>Limited Assurance</b>	<p>Arrangements for governance, risk management and internal control are <b>limited</b>.</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 Leadership Team may need to be informed.</p>
<b>No Assurance</b>	<p>Arrangements for governance, risk management and internal control are <b>significantly flawed</b>.</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 Leadership Team is required, with possible Executive intervention.</p>



## Appendix B – Assurance Map (Third Line) - Red and Amber Residual Risks in the Strategic Risk Register 2024-25

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	Audit Year 2024/25
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)		Robustness of estimates and adequacy of reserves assessment (Section 25 of the Local Government Act 2003) (July 2024)
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)		Recruitment & Retention (December 2024)
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)	Corporate Access Management (Key Risks) (March 2024)	IT Supplier Management (July 2024)
							IT Audit - IT Service Continuity (Phishing) (April 2021)		IT Audit - IT Service Continuity (Phishing) (Follow Up) (September 2022)		
									IT Vulnerability		IT Audit - Cyber Security

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	Audit Year 2024/25
									Management (September 2022)		- NCSC CAF Gap Analysis (November 2024)
									IT Vulnerability Management (January 2023)		
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)	Review of COVID-19 Emergency Response (April 2020)	COVID-19 Emergency Management Assurance (May 2021)		Organisational Resilience (November 2023)	
						Business Continuity (February 2020)					
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)		Housing Development (December 2024)

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	Audit Year 2024/25
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)			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)		
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)		Net Zero Review (External Assessment) (WIP)
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)			Management of the Council's Physical Assets (March 2025)

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	Audit Year 2024/25
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							IT Audit – Service Desk Management (Draft Report)

## Appendix C: Other Internal Audit Work in 2024-25

Title of Audit	Date of Final Report	Assurance Level	Critical	Major	Moderate
The Administration of Disabled Facilities Grants	April 2024	Limited	0	2	4
Destination – Maritime Team: Income Processes	June 2024	Reasonable	0	1	6
Direct Debit Processes	August 2024	Reasonable	0	0	3
Continuous Monitoring – Duplicate Invoices	September 2024	Reasonable	0	0	0
Partnership Oversight (YM15)	October 2024	Reasonable	0	0	6
Revenues Refunds – Insider Threat Risk	November 2024	Reasonable	0	0	4
Electrical Contractor Expenditure (Investigation)	January 2025	n/a	0	0	4
IT Audit – Payment Card Industry Data Security Standards (PCI DSS)	March 2025	Reasonable	0	2	3
Council Tax, NNDR and Sundry Debt Recovery (second follow up)	March 2025	Limited	0	2	3
The Administration of Disabled Facilities Grants (first follow up)	March 2025	Limited	0	0	4
Destination – Maritime Team: Income Processes (first follow up)	March 2025	Reasonable	0	1	1
Early Education and Childcare Grant Programmes	March 2025	Reasonable	0	2	5
		12	0	10	43

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

Ref No.	PSIAS Standards and IPPF	Improvement Area	Responsible Officer	Progress Update – 2024-25
1.	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 has been developed. Internal Audit has populated the third line assurance, and the assurance map is currently with the Performance Team for the first- and second-line assurances to be populated.</p>	Head of Audit and Risk / Corporate Planning, Performance and Programme Manager / Executive Manager (Leadership Team) / Service Business Managers	<p><b>On-going</b></p> <p>CIPFA has recently (May 2025) published guidance on the annual review of governance and internal controls and the preparation of the annual governance statement (AGS) that comes into effect for the 2025-26 financial year. The decision was taken to await this publication before progressing further with populating first and second line assurances. Third line assurances are routinely completed by Internal Audit following relevant audit work.</p>

ISLE OF ANGLESEY COUNTY COUNCIL	
<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	26 June 2025
<b>Subject:</b>	Internal Audit Charter
<b>Head of Service:</b>	Marc Jones Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
<b>Report Author:</b>	Marion Pryor Head of Audit and Risk <a href="mailto:MarionPryor@anglesey.gov.wales">MarionPryor@anglesey.gov.wales</a>
<p><b>Nature and Reason for Reporting:</b></p> <p>The Governance and Audit Committee's Terms of Reference require the Committee to oversee the Council's internal audit arrangements as part of its legislative duties under the Local Government (Wales) Measure 2011. (3.4.8.10.1)</p> <p>In addition, there is an explicit requirement in the Terms of Reference for the Committee to review and approve the internal audit charter, which defines the internal audit's activity purpose, authority and responsibility. (3.4.8.10.2)</p> <p>The Global Internal Audit Standards in the UK Public Sector also provides for a periodic review of the Internal Audit Charter, with final approval of the Charter residing with the Governance and Audit Committee.</p>	

## 1. Introduction

- 1.1. The Governance and Audit Committee last reviewed and approved the Internal Audit Charter in [April 2024](#).
- 1.2. Since then, a new framework for the practice of internal audit in the UK public sector has become effective from 1 April 2025. It consists of:
  - the [Global Internal Audit Standards](#) (GIAS) issued by the Institute of Internal Auditors (IIA).
  - an [Application Note – Global Internal Audit Standards in the UK Public Sector](#), issued by the Relevant Internal Audit Standards Setters (RIASS) which provides the UK public sector-specific context, interpretations of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which the RIASS consider essential for the practice of internal audit in the UK public sector.
  - a [CIPFA Code on the Governance of Internal Audit](#), which provides specific requirements applicable to the local government sector.

- 1.3. Taken collectively, the new framework introduces a requirement for the chief audit executive to develop and maintain an internal audit charter that conforms with the Global Internal Audit Standards in the UK Public Sector.
- 1.4. The Isle of Anglesey County Council's Charter already met the majority of the requirements of the new framework in principle and the Governance and Audit Committee approved some minor changes to the Charter in April 2024 in anticipation of the new Standards.
- 1.5. This revised Charter ensures the requirements are explicitly made and revisions include strengthening the governance arrangements for internal audit, including its mandate, which in local government is primarily derived from regulations, and internal audit's reporting line to the Governance and Audit Committee. The requirement for senior management to work with the Head of Audit and Risk to ensure that the charter sets out the arrangements the function needs to achieve internal audit's purpose are also strengthened.
- 1.6. The Governance and Audit Committee is required to approve the Charter (as per the [Constitution](#) 3.4.8.10.3).

## **2. Recommendation**

- 2.1. That the Governance and Audit Committee approves the revised Internal Audit Charter.



# Internal Audit Charter

June 2025



**Marion Pryor BA MA CMIIA CPFA ACFS**

**Head of Audit and Risk**



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# Introduction

1. A new framework for the practice of internal audit in the UK public sector is effective from 1 April 2025. It consists of:
  - the [Global Internal Audit Standards](#) (GIAS) issued by the Institute of Internal Auditors (IIA)
  - an [Application Note – Global Internal Audit Standards in the UK Public Sector](#), issued by the Relevant Internal Audit Standards Setters (RIASS<sup>1</sup>) which provides the UK public sector-specific context, interpretations of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which the RIASS consider essential for the practice of internal audit in the UK public sector
  - a [CIPFA Code on the Governance of Internal Audit](#), which provides specific requirements applicable to the local government sector.
2. Taken collectively, the new framework introduces a requirement for the chief audit executive to develop and maintain an internal audit charter.
3. The Isle of Anglesey County Council’s Internal Audit Charter has met the majority of the requirements of the new framework for some years and serves to ensure internal audit remains relevant, adaptive, and aligned with the Council’s overarching objectives.
4. The Governance and Audit Committee is required to approve the Charter (as per the [Constitution](#) 3.4.8.10.2).

<sup>1</sup> The RIASS are HM Treasury for central government; Scottish Government, Department of Finance Northern Ireland and Welsh Government for central government and health sector in their administrations; the Department of Health and Social Care for health sector in England; and Chartered Institute of Public Finance and Accountancy for local government in the UK.

## Internal audit's purpose

5. Internal auditing strengthens the Isle of Anglesey County Council's ability to create, protect, and sustain value by providing the Governance and Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
6. The internal audit function's role includes:
  - supporting the delivery of the authority's strategic objectives by providing risk-based and objective assurance on the adequacy and effectiveness of governance, risk management and internal controls
  - championing good practice in governance through assurance, advice and contributing to the authority's annual governance review
  - advising on governance, risk management and internal control arrangements for major projects, programmes and system changes
  - access to the authority's interests in collaborative and arm's-length arrangements
7. The internal audit function is most effective when:
  - it is performed by competent professionals in conformance with the Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
  - the internal audit function is independently positioned with direct accountability to the Governance and Audit Committee.
  - internal auditors are free from undue influence and committed to making objective assessments.

## Internal audit's mandate

8. While the Governance and Audit Committee has responsibility to approve the internal audit mandate, the internal audit function receives its primary mandate from legislation.
9. In local government in the UK, internal audit's authority has statutory backing through the regulations issued by national UK governments. The Accounts and Audit (Wales) Regulations 2014 are the basis for internal audit's mandate / authority in Wales:

### Internal audit

7. (1) A relevant body must maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control.

(2) Any officer or member of that body must, if the body requires—

(a) make available such documents of the body which relate to its accounting and other records as appear to that body to be necessary for the purpose of the audit; and

(b) supply the body with such information and explanation as that body considers necessary for that purpose.

(3) A larger relevant body must, at least once in each year, conduct a review of the effectiveness of its internal audit.

(4) The findings of the review referred to in paragraph (3) must be considered, as part of the consideration of the system of internal control referred to in regulation 5(3), by the committee or body referred to in that paragraph.

10. The Council's [Financial Procedure Rules](#) also provide for the maintenance of a continuous internal audit under independent supervision, overseen by the Council's Governance and Audit Committee, and subject to professional audit standards (4.8.5.3.1).

11. The internal audit function's authority is also supported by its direct reporting relationship to the Governance and Audit Committee. Such authority allows for unrestricted access to the Committee.
12. The Governance and Audit Committee authorises the internal audit function to:
  - Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
  - Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
  - Obtain assistance from the necessary personnel and other specialised services from within or the Council to complete internal audit services.
13. The Council's [Financial Procedure Rules](#) (4.8.5.3.2) further support internal audit's rights of access, providing the function with authority to:
  - enter at all reasonable times Council premises, land or contract sites.
  - have access to all records, documents or correspondence relating to any financial and other transactions of the Council.
  - require and receive such explanations as are necessary from employees of the Council
  - require employees to produce cash, stores or any other property of the Council under their control for examination.

## Independence, Organisational Position, and Reporting Relationships

14. The Head of Audit and Risk is positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function.
15. The Head of Audit and Risk reports functionally to the Governance and Audit Committee and administratively (for example, day-to-day operations) to the Director of Function (Resources) and Section 151 Officer. These relationships are therefore of particular importance and are strong within the Council.
16. The Head of Audit and Risk's positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Governance and Audit Committee, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.
17. Although administratively reporting to the Director of Function (Resources) and Section 151 Officer, the Head of Audit and Risk also has direct access to the Chief Executive Officer and Monitoring Officer, which is provided for in the Council's Financial Procedure Rules (4.8.5.3.5).
18. These extended reporting lines provide internal audit with sufficient independence of the activities that it reviews to enable its auditors to perform their duties objectively, allowing them to make impartial and effective professional judgements and raise issues for improvement.

19. The Director of Function (Resources) and Section 151 Officer annually appraises the Head of Audit and Risk's performance with input and feedback from the Chief Executive Officer and the Chair of the Governance and Audit Committee.
20. This ensures that the Head of Audit and Risk's opinion and scope of work cannot be limited or affected by her administrative line management position within the Council.
21. The Head of Audit and Risk will confirm to the Governance and Audit Committee, at least annually, the organisational independence of the internal audit function.
22. Where the governance structure does not support organisational independence, the Head of Audit and Risk has documented the characteristics of the governance structure limiting independence and any [safeguards](#) employed to achieve the principle of independence.
23. The Head of Audit and Risk will disclose to the Governance and Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

## Governance and Audit Committee oversight

24. GIAS in the UK Public Sector requires the Governance and Audit Committee to establish, maintain, and ensure that the Isle of Anglesey County Council's internal audit function has sufficient authority to fulfil its duties.
25. The Governance and Audit Committee's responsibilities with regards the internal audit function are set out in its Terms of Reference, which are part of the Council's [Constitution](#) (3.4.8.10). An extract of the relevant section with regards the Committee's responsibilities for internal audit oversight is reproduced at [Appendix A](#).
26. The Governance and Audit Committee reviewed and approved changes to its terms of Reference to ensure conformance with the requirements of GIAS in the UK Public Sector at its meeting of 8 May 2025.

## Responsibilities of senior management

27. To maximise the effectiveness and efficiency of the Internal Audit function, we ask that senior management:

- champions the role and work of internal audit to the staff within the authority and to partner organisations with whom internal audit will work
- facilitate access to senior management, the Governance and Audit Committee and the authority's external auditor
- assist, where possible, with access to external providers of assurance such as regulators, inspectors and consultants
- engage constructively with internal audit's findings, opinions and advice
- build awareness and understanding of the importance of good governance, risk management and internal control for the success of the authority, and of internal audit's contributions.
- engage fully and flexibly in the audit planning process and provide information and insight into high-risk areas or areas of strategic focus or concern.
- nominate and commit to lead officers for each internal audit assignment and a point of reference for the overall management of the internal audit process.
- engage in a timely manner with Internal Audit in the scoping of work and agree terms of reference, dealing with audit queries and discussing draft and final reports.
- provide evidence of the implementation of agreed management actions promptly.

## Role and responsibilities of the Head of Audit and Risk

28. The Head of Audit and Risk is a suitably qualified and experienced senior manager with regular and open engagement across the Council particularly with senior management and the Governance and Audit Committee.

### Ethics and Professionalism

29. The Head of Audit and Risk will ensure that internal auditors:

- Conform with GIAS in the UK Public Sector, including the principles of ethics and professionalism (integrity, objectivity, competency, due professional care, and confidentiality) and, in particular, the Seven Principles of Public Life (also known as the 'Nolan Principles') that apply to all public servants (including contractors working in the public service).
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Council and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the Council and report organisational behaviour that is inconsistent with the Council's ethical expectations and work with others to promote and demonstrate the benefits of good governance throughout the Council.
- Understand the Council's policies and procedures for routine publication of certain information and where there are statutory obligations, to share or publish information.
- Hold an appropriate qualification, have an active programme for personal professional development and are committed to continuous improvement.



## Objectivity

30. The Head of Audit and Risk will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.
31. If the Head of Audit and Risk determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.
32. Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.
33. Internal auditors will have no direct operational responsibility or authority over the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:
  - Assessing specific operations for which they had responsibility within the previous year and performing operational duties for the Council or its affiliates.
  - Directing the activities of any Council employee that is not employed by the internal audit function, except to the extent that such employees have been assigned to internal audit teams or to assist internal auditors.
34. Internal auditors will:
  - Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties at least annually.

- Exhibit professional objectivity in gathering, evaluating, and communicating information and make balanced assessments of all available and relevant facts and circumstances and will report on what is found, without fear or favour.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

## Managing the Internal Audit Function

35. The Head of Audit and Risk has the responsibility to:

- Ensure the Council's internal audit function adheres to the mandatory elements of relevant internal auditing standards.
- At least annually, develop a risk-based internal audit plan that considers the input of the Governance and Audit Committee and senior management. Discuss the plan with the Governance and Audit Committee and senior management and submit the plan to the Committee for review and approval.
- Produce an evidence-based annual internal audit conclusion to contribute to the assurances provided to 'those charged with governance' for the Annual Governance Statement, which will encompass an opinion on the effectiveness of governance, risk management and control. The conclusion will reflect the work done during the year and summarise the main outcomes and conclusions, highlighting any specific concerns.
- Communicate the impact of resource limitations on the internal audit plan to the Governance and Audit Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programmes, systems, and controls.

- Communicate with the Governance and Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with GIAS in the UK Public Sector and laws and/or regulations.
- Ensure the function is fully committed to the Council's Welsh Language policy, reporting bilingually, and ensure the team includes bilingual staff who can undertake reviews in the language of choice of those assisting with reviews.
- Follow up on engagement findings and confirm the implementation of action plans and communicate the results of internal audit services to the Governance and Audit Committee and senior management and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of GIAS in the UK Public Sector and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Council and communicate to the Governance and Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing, and establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to the Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or GIAS in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the Governance and Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Head of Audit and Risk cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Governance and Audit Committee.
- To liaise closely with the Council's external regulators to share knowledge and use audit resources most effectively.
- Support the statutory Section 151 Officer in discharging their duties.
- Support the requirement to seek efficiency including the arrangements for achieving value for money.
- Provide soundly based assurances to management on the adequacy and effectiveness of their internal control, risk and governance arrangements.
- Drive the Council's [counter fraud initiatives](#) and evaluate the risk of fraud and the way it is managed by the Council.
- Provide advice and an objective and supportive consulting service in respect of the development of new programmes and processes and / or significant changes to existing programmes and processes including the design of appropriate controls.
- To assist the Governance and Audit Committee to discharge its responsibilities; monitoring the implementation of agreed management actions; disseminating across the entity better practice and lessons learnt arising from its audit activities and having oversight of the audit function.



## Communication with the Governance and Audit Committee and Senior Management

36. The Head of Audit and Risk will report periodically to the Governance and Audit Committee and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit's resource requirements and the impact of insufficient resources on the ability of the internal audit function to fulfil its mandate.
- Significant revisions to the internal audit plan and resources.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results of the quality assurance and improvement programme, which include the internal audit function's conformance with GIAS in the UK Public Sector and action plans to address deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Governance and Audit Committee that could interfere with the achievement of Council's strategic objectives.
- Results of assurance and advisory services.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Council's risk appetite.

## Quality Assurance and Improvement Programme

37. The Head of Audit and Risk will develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function.

38. The programme will include external and internal assessments of the internal audit function's conformance with GIAS in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.

39. The programme also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

40. Annually, the Head of Audit and Risk will communicate with the Governance and Audit Committee and senior management about the internal audit function's quality assurance and improvement programme, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.

41. External assessments will be conducted at least once every five years by a qualified<sup>2</sup>, independent assessor or assessment team from outside Council.

<sup>2</sup> The RIASS have determined that at least one person of the assessment team must have the characteristics outlined for chief audit executive qualification

## Scope and types of internal audit services

42. The scope of the internal audit function covers the entire breadth of the Council's activities and includes unrestricted access to all assets and personnel of the Council. Our work provides a risk-based approach that allows the Head of Audit and Risk to form and evidence her opinion on the control environment to support the Council's Annual Governance Statement.
43. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance to the Governance and Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Council.
44. We have a customer-focused approach to planning individual audits, from project scoping to delivery, involving members, senior management and staff.
45. Internal audit engagements may include evaluating whether:
  - Risks relating to the achievement of the Council's strategic objectives are appropriately identified and managed.
  - The actions of the Council's officers, directors, management, employees, and contractors or other relevant parties comply with the Council's policies, procedures, and applicable laws, regulations, and governance standards.
  - The results of operations and programmes are consistent with established goals and objectives.
  - Operations and programmes are being carried out effectively, efficiently, ethically, and equitably.

- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Council.
  - The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
  - Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.
46. The overall approach is determined by the Head of Audit and Risk and will take into account the level of assurance required, the Council's strategic objectives, the degree of change within the Council, the prevailing risk appetite and culture, previous audits and implementation of agreed management actions.
  47. Our strategy takes account of the strategic risk register, discussions with senior management and the Governance and Audit Committee and other assurances that the Council may receive, internal or external, to prevent duplication and co-ordinate regulatory work. In particular, it takes account of the Council's assurance framework ([Appendix B](#)).

## Advisory services

48. Internal Audit may occasionally provide guidance and advice, e.g. on new systems or may help to develop new processes, provided the internal audit function does not assume management responsibility. Services may also occasionally ask us to carry out specific projects on a consultancy basis. On these occasions, we make it clear from the outset that we are working on a consultancy basis rather than internal audit basis and are not giving audit assurance on these occasions.
49. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements.

## Internal audit's role in fraud-related work

50. The Accounts and Audit (Wales) Regulations 2014 state that the Council's responsible financial officer (Section 151 Officer) must ensure that its accounting control systems include measures to enable the prevention and detection of inaccuracies and fraud.
51. Consequently, internal audit carries out activity to ensure the Council does all that it can to minimise the risk of fraud, bribery and corruption occurring within and against the Council.
52. However, internal audit is not responsible for managing the risk of fraud – this lies with the Council's senior management.
53. Where fraud, bribery, corruption or impropriety is suspected or detected, the Council's policy for the Prevention of Fraud and Corruption requires managers to inform the Head of Audit and Risk, to inform her opinion on the internal control environment and internal audit's work programme, as well as to allow her to ensure the Council takes appropriate action.
54. Although internal audit carries out proactive projects to identify potential fraud, bribery and / or corruption and can carry out special investigations into alleged irregularities, the Head of Audit and Risk retains the right to decide on an appropriate course of action, which may mean a joint investigation or investigation by the service. However, management should send the outcome of all investigation activities to the Head of Audit and Risk for inclusion in the Internal Audit Annual Counter Fraud, Bribery and Corruption Report.
55. Where it is thought necessary, the external auditor may conduct investigations, either in liaison with internal audit or independently.

## Safeguards to limit impairments of independence or objectivity

56. To be effective, internal audit must be independent and be seen to be independent. To ensure this, internal audit will operate within a framework that ensures segregation from operational activity. Should any conflict or impairment be known or arise, it will be reported to the Chair of the Governance and Audit Committee.
57. Every effort will be made to preserve objectivity by controlling the involvement of audit staff in non-audit duties in order to avoid potential conflicts of interest. Specific exceptions are however acceptable in respect of participation in service improvement projects, where a 'critical friend' role will be held.
58. Appropriate arrangements are in place to limit the impairment of independence and objectivity due to the Head of Audit and Risk's line management of the Insurance function, which involves leading on the Council's insurance programme, and initiating and approving transactions external to the internal audit function.
59. The Head of Audit and Risk also has a role to lead on risk management policy and strategy within the Council, ensuring that there is a process and system in place to identify, manage and review risks at both a corporate and service level.
60. The Head of Audit and Risk will not scope or review internal audit activity relating to these areas, and all assurance activity will be outsourced. The Director of Function (Resources) and Section 151 Officer will sign off reports.
61. Where new roles are proposed and could impact on internal audit independence, the impact will be discussed with the Head of Audit and Risk and the Governance and Audit Committee. Appropriate safeguards will be put in place to protect the independence of internal audit and support conformance with standards.

## Changes to the Mandate and Charter

62. Circumstances may justify a follow-up discussion between the Head of Audit and Risk, the Governance and Audit Committee and senior management on the internal audit mandate or other aspects of the internal audit charter.
63. Such circumstances may include but are not limited to a significant change in/to:
  - the relevant internal auditing standards.
  - organisational structures within the Council.
  - the internal audit function, the Governance and Audit Committee and/or senior management.
  - the organisation's strategies, objectives, risk profile, or the environment in which the Council operates.
  - new laws or regulations that may affect the nature and/or scope of internal audit services.

## Appendix A – Governance and Audit Committee Terms of Reference extract

### 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 regularly review and approve the Internal Audit Charter, which defines the internal audit's activity purpose, authority and responsibility. The Committee will satisfy itself that the Charter conforms to the relevant auditing standards.

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. Where there are concerns about internal audit's ability to fulfil its mandate or deliver an annual conclusion, concerns will be formally recorded and reported to those charged with governance and referred for inclusion in the Annual Governance Statement.

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 relevant internal auditing 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 relevant internal auditing standards, 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 annually 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 receive a report regarding options, timing, scope, method of assessment and qualifications and independence of the assessor, for approval.

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, at least annually.

# Appendix B – Assurance Framework

The Council uses the ‘Three Lines Model’ as demonstrated in the graphic below, where each line can be used to provide assurance. A range of assurance activities from across all lines of defence is used to provide a robust assurance picture to support the development of the Council’s Annual Governance Statement ([Local Code of Governance 2023-2028](#), December 2022). Internal audit contributes to the ‘Third Line – Independent Assurance’ but also takes account of the assurances provided across the first and second lines when developing the Internal Audit Strategy and Plan.

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ISLE OF ANGLESEY COUNTY COUNCIL	
<b>Report to:</b>	Governance and Audit Committee
<b>Date:</b>	26 June 2025
<b>Subject:</b>	Internal Audit Strategy and Plan 2025-26
<b>Head of Service:</b>	Marc Jones Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
<b>Report Author:</b>	Marion Pryor Head of Audit and Risk <a href="mailto:MarionPryor@anglesey.gov.wales">MarionPryor@anglesey.gov.wales</a>
<p><b>Nature and Reason for Reporting:</b></p> <p>The Governance and Audit Committee's Terms of Reference has an explicit requirement for the Committee to oversee the Council's internal audit arrangements as part of its legislative duties under the Local Government (Wales) Measure 2011. (3.4.8.10.1)</p> <p>Specifically, the Committee is required to approve (but not direct) the risk-based internal audit strategy, including internal audit's resource requirements and the use of other sources of assurance (3.4.8.10.5). As part of its consideration of the proposed strategy, the Committee is required to make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations. (3.4.8.10.6)</p> <p>In addition, this report fulfils the requirements of <a href="#">CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022</a>, specifically, in relation to the authority's internal audit function and the <a href="#">Global Internal Audit Standards in the UK Public Sector</a>.</p>	

## 1. Introduction

- 1.1 The 'Global Internal Audit Standards in the UK Public Sector' require me, as the chief audit executive, to establish a risk-based strategy to determine the priorities of the internal audit activity, consistent with the Council's goals.
- 1.2 In prioritising our finite resource, we have to undertake sufficient work to enable me to deliver an annual internal audit opinion for the Council to inform its Annual Governance Statement.
- 1.3 The Internal Audit Strategy and Plan 2025-26 is therefore submitted to the Committee for review and consideration to determine if it meets the Council's assurance requirements.



## **2. Consultation**

2.1 I have met with the Director of Function (Resources) and Section 151 Officer (the chief financial officer with accountability to ensure an effective internal audit function is resourced and maintained) and heads of service to discuss their views on the proposed areas for review and their areas of concern.

## **3. Changes**

3.1 I will keep the priorities under review, as necessary, adjusting them in response to changes in the Council's business, risks, operations, and programmes to ensure that they remain relevant.

3.2 I will report changes to the Director of Function (Resources) and Section 151 Officer and the Governance and Audit Committee.

## **4. Recommendation**

4.1 That the Governance and Audit Committee:

- approves (but does not direct) the risk-based Internal Audit Strategy and Plan and is content that it provides the Council with the assurance it needs.
- is content with internal audit's resource requirements and the use of other sources of assurance.
- is content that there are no inappropriate scope or resource limitations.



# Internal Audit Strategy and Plan 2025-26

June 2025



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



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## Introduction

1. A new framework for the practice of internal audit in the UK public sector is effective from 1 April 2025. It consists of:
  - the [Global Internal Audit Standards](#) (GIAS) issued by the Institute of Internal Auditors (IIA)
  - an [Application Note – Global Internal Audit Standards in the UK Public Sector](#), issued by the Relevant Internal Audit Standards Setters (RIASS<sup>1</sup>) which provides the UK public sector-specific context, interpretations of GIAS requirements in the specific circumstances expected to apply across the UK public sector and some additional requirements which the RIASS consider essential for the practice of internal audit in the UK public sector
  - a [CIPFA Code on the Governance of Internal Audit](#), which provides specific requirements applicable to the local government sector.
2. Taken collectively, the new framework introduces a requirement for the chief audit executive to develop and implement a strategy for the internal audit function that supports the strategic objectives of the Council and aligns with the expectations of the Governance and Audit Committee, senior management, and other key stakeholders.
3. The Isle of Anglesey County Council's annual Internal Audit Strategy has met this requirement for some years and serves to ensure internal audit remains relevant, adaptive, and aligned with the Council's overarching objectives.

<sup>1</sup> The RIASS are HM Treasury for central government; Scottish Government, Department of Finance Northern Ireland and Welsh Government for central government and health sector in their administrations; the Department of Health and Social Care for health sector in England; and Chartered Institute of Public Finance and Accountancy for local government in the UK.

## Current context

4. The 2025-26 Internal Audit Strategy and Plan is set against an increasingly fractured global landscape, where escalating geopolitical, environmental and technological challenges threaten stability and progress. Societal risks such as inequality continue to rank highly among today's leading concerns.<sup>2 3</sup>
5. Many risks are becoming more prevalent, such as shortages in people skills and experience, targeted cyber-attacks and the impacts of artificial intelligence (AI). Climate change also features prominently, highlighting the complex and interconnected challenges organisations face.<sup>4</sup>
6. However, the overwhelming challenge for local government is financial resilience. Local government has been dealing with austerity for almost 15 years, and this, along with the other pressures, has led to failure in the full range of local authority bodies<sup>5</sup>.
7. All councils face financial pressures but the impact and their responses to those pressures have varied, with some catastrophic failures seen in England<sup>6</sup>. External audit firms warn that a quarter of English councils could deplete their reserves to levels that threaten their financial sustainability amid a growing sector-wide gap between expenditure and income, driven by rising inflation, higher employee costs and spiralling service demand.<sup>7</sup>

8. Like all other councils, the Isle of Anglesey County Council faces significant financial pressure. Strong financial management has never been more crucial. Increased costs will need to be controlled when setting budgets and responding to increasing demands due to demographic and social changes.
9. Ensuring that financial decisions are well informed will be key to delivering the Council's goals and the ability to monitor budgets effectively, assess performance and forecast with precision will help to ensure financial sustainability.<sup>8</sup>
10. The economic situation and cost of living crisis also have far reaching and significant impacts on the island's communities, businesses and organisations.
11. Navigating these uncertainties requires internal audit to be agile and resilient. We need to proactively integrate our understanding of risk into audits to better anticipate and address potential risks.
12. Critical to helping the Council thrive in this ever-changing landscape, in developing this strategy, we have considered:
  - shorter timescales for assurance to be impactful
  - process change by services to respond to evolving needs
  - reliance on high-quality, accurate data for decision-making
  - staff capacity, turnover and dissatisfaction
  - increased fraud risk

<sup>2</sup> [The Global Risks Report 2025, World Economic Forum](#)

<sup>3</sup> [Risk in Focus 2025 – Hot Topics for Internal Auditors, ECIIA](#)

<sup>4</sup> [Emerging Risk Radar, RSM, January 2024](#)

<sup>5</sup> [Lessons from recent auditor's annual reports, Grant Thornton, July 2024](#)

<sup>6</sup> [Preventing failure in local government, Grant Thornton, December 2023](#)

<sup>7</sup> [Grant Thornton: quarter of authorities at risk of financial failure, Public Finance, January 2024](#)

<sup>8</sup> [Staying strong on principles in financial management, Public Finance, March 2025](#)

## Purpose of internal auditing

13. Internal auditing strengthens the Isle of Anglesey County Council's ability to create, protect, and sustain value by providing the Governance and Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
14. The internal audit function's role includes:
  - supporting the delivery of the authority's strategic objectives by providing risk-based and objective assurance on the adequacy and effectiveness of governance, risk management and internal controls
  - championing good practice in governance through assurance, advice and contributing to the authority's annual governance review
  - advising on governance, risk management and internal control arrangements for major projects, programmes and system changes
  - access to the authority's interests in collaborative and arm's-length arrangements
15. The internal audit function is most effective when:
  - it is performed by competent professionals in conformance with the Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
  - the internal audit function is independently positioned with direct accountability to the Governance and Audit Committee.
  - internal auditors are free from undue influence and committed to making objective assessments.

## Vision, Mission and Strategic Objectives

16. By aligning the internal Audit strategy with the Council's direction and priorities we can effectively support its success.
17. The [Isle of Anglesey Council Plan \(2023 to 2028\)](#) is the Council's principal strategy document. It influences and informs strategies and plans for the provision of services over the five-year period and identifies the current and future needs of the island's children, young people, families, older people, communities, businesses and its environment.
18. The Council is committed to prioritising and collaborating in its endeavours to protect and care for vulnerable members of its society whilst fulfilling the vision set out in the plan, which is to **'Create an Anglesey that is healthy and prosperous where people can thrive'**.
19. The Council Plan advocates that collaboration is key to realising the Council's vision along with continuing to modernise and transform services and the Council's way of working. Consequently, these commitments play a central role in our strategy, and the development of our vision, mission and strategic objectives.

## Internal Audit Vision

20. Our vision is to create a mature, innovative and collaborative internal audit function that provides high-quality assurance and supports the Isle of Anglesey County Council's vision to create an Anglesey that is healthy and prosperous where people can thrive.

## Internal Audit Mission

21. The Isle of Anglesey County Council's internal audit function strives to provide excellence in public service through a mature, fully qualified and experienced team, who perform their work diligently, with honesty, integrity and professional courage to deliver independent, objective and high-quality assurance that enhances governance, risk management, and internal controls.
22. Through collaboration, innovation, and continuous improvement, we provide effective challenge and act as a catalyst for positive change.
23. We provide reliable insights and foresights to those charged with governance, senior managers and other key stakeholders and work in partnership with external regulators to coordinate assurance activities. We are one of the key elements of the Council's governance framework, as recognised throughout the UK public sector.
24. We are committed to the highest standards of ethical behaviour and are both servants of the public and stewards of public resources, ensuring the long-term sustainability for the island and its residents.

## Strategic Objectives

25. In developing our strategic objectives, we captured stakeholder expectations along with an assessment of the current [maturity level](#) of the internal audit function. Our strategic objectives and their corresponding key initiatives and metrics are therefore:

Strategic Objective 1: Achieve a fully qualified internal audit function		
Key Initiatives	Current Metric	Target Metric
Support the Senior Auditor to become fully qualified Certified Internal Auditor by 2028	Year 1 of studies	CIA by 2028
Support team members to evidence their continuing professional development (CPD) targets	Not measured	100%

Strategic Objective 2: Embed audit technology and analytics into audits		
Key Initiatives	Current Metric	Target Metric
Pilot continuous monitoring in at least one new key risk area utilising data analytics	1 audit annually	2 audits annually
Improve auditors' digital literacy, ensuring comfortable use of technology, including Artificial Intelligence, to improve risk assessment processes, enhance audit quality and improve reporting efficiencies	Not measured	Use in at least one audit

Strategic Objective 3: Seek opportunities for collaborating regionally and nationally		
Key Initiatives	Current Metric	Target Metric
Continue with membership of networking groups	Not measured	Collaborate on one key area

## Strategic Plan Priorities

26. The internal audit profession has undergone radical change since its days as compliance checkers when auditing was focused on evaluating the past and ensuring compliance. Compliance is management's responsibility. Auditing has evolved, moving through 'systems-based' to 'risk-based' audit, and more recently adopting an 'agile-audit' approach.
27. Agile internal audit emphasises flexibility, collaboration, and responsiveness to changing risks and organisational priorities. Unlike traditional audits, which follow rigid single-phased annual plans, agile auditing centres around fluid, iterative planning on an ongoing basis. It allows auditors to adapt quickly to emerging risks and stakeholder needs, improving efficiency and enhancing communication between auditors and management.
28. Continuously updating audit plans and focusing on high-risk areas, agile auditing helps organisations maintain effective governance while responding to dynamic environments and is driven by the most recent risk assessments, with the top threats being covered.
29. Therefore, our strategic plan prioritises audits of the Council's [strategic risks](#), with an aim to provide assurance on 80% of the top strategic risks over a rolling two-year period.

30. We will also maintain a list of [other audit work](#) which will be continually updated and refreshed. Any work required to respond to new priorities or emerging risks may take precedence over these medium priority reviews.

## Strategic risks

31. To ensure we are concentrating on what matters most to the Council, most of our work focuses on reviewing the strategic risk register over a two-year cycle.
32. We focus on the inherent risks rated as 'red', and where the residual risk is rated as 'red' or 'amber'.
33. Currently, the Council has rated 11 of its strategic risks as inherently 'red'. Seven of these have the residual risk assessed as 'red' and four as 'amber'.<sup>9</sup>
34. Consequently, as we review the strategic risks over a two-year cycle, the risks last reviewed during 2023-24 and any new risks will be prioritised for review (see [Appendix B](#) for details of the proposed audits).
35. In addition, as the overwhelming challenge for local government is financial resilience, we will undertake a review of financial management, to provide assurance that financial decisions are well informed, budgets are monitored effectively and forecasts are accurate.

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<sup>9</sup>These are likely to change as the Leadership Team is in the process of reviewing and redeveloping the strategic risk register in conjunction with Zurich Risk Engineering.



## IT audit

36. Cyber security is without a doubt the perennial risk of the 21st century. Along with data security, it continues to be perceived to be one of the top threats in a survey<sup>10</sup> of European chief audit executives – with 83% saying it was a top five risk (84% in 2024).
37. Hackers have also moved into the more ominous area of so-called ‘killware’ to put pressure on organisations to pay up - those attacks target critical infrastructure. Ransomware risk continues to be difficult to mitigate and poses a potential existential threat to organisations.
38. A major breach can impact on the quality of the Council’s services, trust and reputation, fines in relation to GDPR breaches and its financial situation, but more critically on the Council’s ability to continue delivering its services to its vulnerable clients.
39. Having exhausted our technical capabilities in this area, we commission the IT auditors of Salford City Council to undertake a programme of work to provide the Council with the assurance that its IT vulnerabilities are being effectively managed.
40. During 2025-26, we propose to seek assurance that the Council has properly risk assessed and established effective mitigation in the areas of:
  - IT Asset management
  - IT Disaster recovery
  - Environmental and physical controls for the data centre
  - Implementation of Artificial Intelligence (AI)

## Other audit work

### ‘Unofficial’ school funds

41. We will continue to support the Director of Education, Skills and Young People to provide assurance that income and expenditure within unofficial school funds are properly accounted for and the governance arrangements are appropriate, through assessing the quality of school fund audit certificates. This work also involves the provision of training to new head teachers and governors.

### Continuous monitoring - Creditors and Payroll

42. We are able to analyse large volumes of data quickly and easily with data analytics software. As well as analysing data during other audits, we will continue to work with colleagues in the Payments function to identify duplicate payments and other failures in the purchasing and payment processes.
43. Through this continuous monitoring, we will identify potential control failures, and the financial ramifications, sooner. Whether it saves the Council money, or it is not a significant loss, discovering control failures early allows for timely remediation and action.

<sup>10</sup> [Risk in Focus 2025, Chartered Institute of Internal Auditors](#)

### **Legal charges**

44. A recent audit of Adult Social Care – Financial Assessments highlighted that although there was a process for applying legal or deferred charges against property, the payment agreements had not been correctly applied to improve the likelihood of debt recovery and enable charging of interest and administration fees. An audit of the use of legal / deferred charges will be undertaken to provide assurance that deferred charges across the Council have been correctly applied.

### **School meals – allergens**

45. An incident in a neighbouring authority highlighted that school meal provision had not considered allergens effectively. This audit will provide assurance that school meals are prepared safely for pupils and staff, in particular for those individuals with special dietary needs.

### **Membership subscription organisations**

46. Recent litigation against a representative sample of 23 local authority members of a subscription organisation highlighted that the Council may be exposed due to its membership of subscription organisations. An audit will be undertaken to ensure appropriate safeguards to limit the financial exposure and liability to the Council of its membership to subscription organisations.

### **Core Financial Systems**

47. It has been some years since an audit of the Council's core financial systems has been undertaken and Audit Wales has expressed its inclination to see more work conducted in this area. Therefore, phased audits will be conducted, on a risk-basis, to provide assurance of the financial governance, accuracy and efficiency across key financial areas, including creditors, payroll, income, treasury management and main accounting functions.

### **Countering fraud, bribery and corruption**

48. When people commit fraud against the public sector and public services, they take money away from the services on which the public depend, and damage citizens trust in the government. Fraud and corruption are evolving issues and, as such, the Council's response needs to be agile and adapt to its changing nature.
49. We will therefore continue to keep under review the Council's approach to counter fraud, anti-bribery and corruption, anti-money laundering and terrorism financing through the Counter Fraud, Bribery and Corruption Strategy 2025-28.

### **Outstanding work from 2024-25**

50. The following reviews were identified in our 2024-25 strategic audit plan.
51. This lower priority work was set aside to focus on higher-risk audits. This flexibility is key to our agile approach, where we prioritise audits based on risk and the organisation's needs.



### Identifying the Council Tax Base

- 52. Council tax is a significant revenue source for the Council. Identifying the council tax base accurately ensures that the financial burden is distributed fairly among residents according to their property's value and helps minimise opportunities for tax evasion and avoidance.
- 53. By maintaining up-to-date records of properties and their valuation bands, councils can detect discrepancies or attempts to evade tax obligations more effectively. This helps protect the integrity of the tax system and ensures that all residents contribute their fair share towards local services.
- 54. A review of the Council's arrangements is currently in progress.

### Performance management

- 55. A report by Audit Wales (November 2023) concluded that limited performance information was provided to senior leaders to enable them to understand the service user perspective, and the outcomes of the Council's activities and made three recommendations for improvement.
- 56. A review is currently in progress of the Council's performance management arrangements, including the arrangements to ensure the accuracy of the data that the Council collects.

### Contract management

- 57. An investigation into a duplicate payment highlighted vulnerabilities within contract management processes within the Council. This audit will provide assurance that management has addressed these vulnerabilities and that they do not exist within other parts of the Council.

- 58. This review was postponed due to the ongoing procurement improvement programme to ensure the Council is compliant with new procurement legislation. Following completion of the programme in 2026, a review of contract management will be undertaken.

### Financial management in schools

- 59. The work to quality assure audit certificates of school unofficial funds, and during the audits of some funds highlighted that financial management processes within schools may benefit from closer review.
- 60. Financial management within schools will be included in the review of Financial Management.

## Performance measures

61. Risk-based and agile internal audit is a dynamic process and therefore more difficult to manage than traditional methodologies. Monitoring progress against a plan that is constantly changing is a challenge and we have reviewed our performance measures to ensure they reflect the service we strive to provide.
62. We have in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit service. We have also adopted a reduced and streamlined suite of performance measures to determine the effectiveness of our work, which can be seen in the table to the right.
63. We have performed well against most of our targets, with five out of six indicators meeting their target.
64. Crucially, we have achieved our target of reviewing 80% 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.
65. One area failed to fully achieve its target performance level; audits completed within six months. Shorter timescales for audits are critical for assurance to be impactful, so we will continue to strive for audits to be completed quickly.

Performance Indicator	Target 2023-24	Actual 2023-24	Target 2024-25	Actual 2024-25	Target 2025-26
Red / Amber Residual Risks in the Strategic Risk Register audited (over a rolling 24-month period)	80%	82%	80%	80%	80%
Audits completed within six months	85%	84%	85%	83%	85%
Clients' responses at least 'satisfied'	100%	100%	100%	100%	100%
Number of staff (Full Time Equivalent)	4.0 FTE	3.3 FTE	2.8 FTE	2.8 FTE	2.8 FTE
All fraud alerts received, considered, distributed.	100%	100%	100%	100%	100%
Outcome of the internal (annually) and external (five-yearly) assessments of the quality assurance and improvement programme.	Generally Conforms	Generally Conforms	Generally Conforms	Generally Conforms	General Achievement

## Monitoring and acceptance of risk

66. GIAS Standard 15.2 'Confirming the Implementation of Recommendations or Action Plans' states that the chief audit executive must establish a process to monitor and ensure that management has effectively addressed the risks raised.
67. Competing priorities, budget limitations and other factors may prevent managers from addressing these in the agreed timeline or as previously designed to mitigate the risk. However, managers who do not address issues arising from internal audit work expose the organisation to risk. By monitoring, this helps to prevent it becoming an issue.
68. In accordance with our agreed Internal Audit Charter, we will monitor all Issues / Risks / Opportunities raised and will track the implementation of all actions in an internal tracking system (4action).
69. We will report to the Governance and Audit Committee twice a year on management's progress with implementing actions.
70. GIAS Standard 11.5 'Communicating the Acceptance of Risks' requires the chief audit executive to communicate unacceptable levels of risk, i.e. where senior management has accepted the risk of not taking action.
71. Where the Head of Audit and Risk concludes that management has accepted a level of risk that exceeds the Council's risk appetite or risk tolerance, the matter will be discussed with senior management and will be escalated to the Governance and Audit Committee if she determines that the matter has not been resolved.

## Appendix A – Internal audit maturity analysis

### Structure



72. The Internal Audit function has undergone significant change in recent years and is now in another period of transition. Adopting a fully risk-based and 'agile audit' approach over the last few years has improved the assurance the Council receives. The new team responded well; staff continue to develop their skill sets, deliver complex and strategic-level audits, and manage higher workloads.
73. However, the integration of the Internal Audit and Risk Management teams in 2017, although improving the integration between internal audit and risk management, was not as successful. Due to capacity issues of the officer, fully embedding risk management into the Council was not as successful as anticipated.
74. Changes are in progress to resolve this, with the responsibility for the delivery of risk management moving to an officer located within the Leadership Team. The Head of Audit and Risk will continue overseeing the risk management policy and strategy and continue reporting to the Governance and Audit Committee.

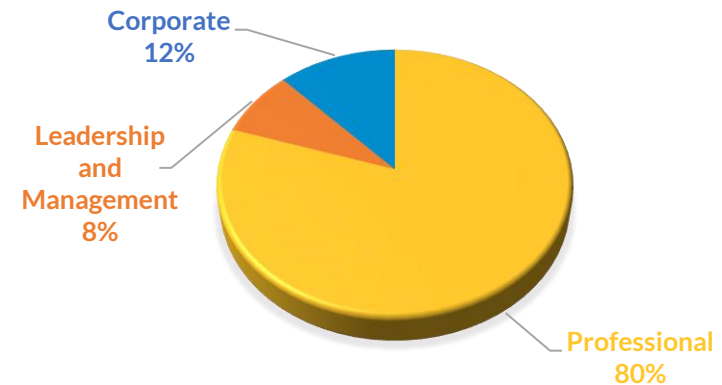
## Capacity

75. We continue to retain one vacancy at senior auditor level, which we are utilising to fund the commissioning of subject matter experts to provide the technical and complex assurance needs of some of the strategic risks.
76. In addition to this, with a productivity level of 76%, we have around 549 days of audit resource available to undertake the remaining internal audit activity, including investigations, to provide the annual assurance opinion.

## Training and development

77. Internal audit's ability to support the organisation in achieving its strategic objectives and priorities is dependent on the quality of the internal audit team.
78. The team includes a wealth of internal and external audit experience, along with an excellent mix of professional qualifications, including CIPFA<sup>11</sup>, CIIA<sup>12</sup>, IRRV<sup>13</sup>, ACFS and ACFTech<sup>14</sup>, along with academic qualifications in Change Management, Business and Accountancy.
79. Therefore, continuing to increase the capability of internal audit is a priority for improving its impact and effectiveness and to build a highly competent and relevant team that can tackle shifting assurance needs with confidence.

80. There are challenges in ensuring there are sufficiently experienced auditors to complete more complex work as well as providing coaching and support to inexperienced staff.
81. The service will therefore continue to invest significantly in training and development to ensure the team continue their professional development, stay abreast of emerging risks and developments in the sector, and are retained. We will also participate in the mandatory corporate training, where required.
82. The Council is currently supporting our Senior Auditor in their Institute of Internal Auditors professional qualification. In total, we will invest 50 days (7%) in training and development during 2025-26, consisting of:



<sup>11</sup> The Chartered Institute of Public Finance and Accountancy (CIPFA) is the professional body for people working in public services,

<sup>12</sup> The Chartered Institute of Internal Auditors (CIIA) is a professional association for internal auditors.

<sup>13</sup> The Institute of Revenues Rating and Valuation (IRRV) is the professional body for local taxation, benefits and valuation.

<sup>14</sup> The ACFS (Accredited Counter Fraud Specialist) and ACFTech (Accredited Counter Fraud Technician) are professional counter fraud qualifications accredited by the Counter Fraud Professional Awards Board.

## Appendix B – Assurance Map (Third Line)

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Created Date	Audit Year 2020/21	Audit Year 2021/22	Audit Year 2022/23	Audit Year 2023/24	Audit Year 2024/25	Proposed for Audit Year 2025/26
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 (November 2022)		Robustness of estimates and adequacy of reserves assessment (Section 25 of the Local Government Act 2003) (July 2024)	Financial Management
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 (June 2022)		Recruitment & Retention (December 2024)	
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 - IT Resilience (Follow Up) (May 2021)	IT Audit - Software Licence Management (January 2022)	IT Audit - Cloud Computing (March 2023)	Corporate Access Management (Key Risks) (March 2024)	IT Supplier Management (July 2024)	Cyber Security in Schools
					IT Audit - IT Service Continuity (Phishing) (April 2021)		IT Audit - IT Service Continuity (Phishing) (Follow Up) (September 2022)		Cyber Security - Gap Analysis - Readiness for the Cyber Assessment Framework (CAF)	IT - Disaster Recovery

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Created Date	Audit Year 2020/21	Audit Year 2021/22	Audit Year 2022/23	Audit Year 2023/24	Audit Year 2024/25	Proposed for Audit Year 2025/26
							IT Vulnerability Management (September 2022)		(November 2024)	Environmental and physical controls for the data centre
							IT Vulnerability Management (January 2023)			
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)		Modernising Learning Communities Programme
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	Review of COVID-19 Emergency Response (April 2020)	COVID-19 Emergency Management Assurance (May 2021)		Organisational Resilience (November 2023)		Organisational Resilience
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)		Housing Development (December 2024)	
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	Corporate Parenting Panel (January 2021)			Managing Strategic Risk - Safeguarding (YM10) (January 2024)		Safeguarding - Recruitment of Supply Teachers

Risk Ref	Risk	Inherent Risk Priority	Residual Risk Priority	Created Date	Audit Year 2020/21	Audit Year 2021/22	Audit Year 2022/23	Audit Year 2023/24	Audit Year 2024/25	Proposed for Audit Year 2025/26
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			Poverty (March 2023)			The Council's Response to Increasing Poverty
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)		Net Zero Review (external assessment) (WIP)	
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)			Management of the Council's Physical Assets (March 2025)	
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					IT Audit - Service Desk Management (including change management processes) (Draft)	

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# Isle of Anglesey County Council – Detailed Audit Plan 2025

Audit year: 2024-25

Date issued: June 2025

Document reference: 4860A2025



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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.

# Introduction



**Adrian Crompton**

Auditor General  
for Wales

I am pleased to share my 2025 Audit Plan. The Plan sets out how I will undertake your audit.

My audit team has developed the Plan following a structured and risk-based planning process, which will remain ongoing throughout the audit. My Code of Audit Practice provides further detail on how my audit and certain other functions are to be carried out by my auditors.

At the core of all our work is our commitment to maintaining the highest standards of professional integrity, objectivity, independence and audit quality. Our three lines of assurance model

(page 21) sets out how we will ensure those standards of quality are met. Our latest annual quality report, Audit Quality Report 2024, provides more information about our audit quality arrangements.

My audit team will work constructively with your staff to understand the issues you are facing, ensure the audit process operates as smoothly as possible, and provide valuable insights about any areas for improvement.

My local performance audit work programme, as outlined in this Plan, sits alongside other national audit work that may include coverage of your organisation. Local performance audit work may also inform wider national reporting.

Should you have any questions about your audit my audit team will be happy to discuss them with you. They will also keep you regularly updated as work progresses.

# Our aims and ambitions

## Our purpose



Assure people that public money is being managed well



Explain how that money is being spent



Inspire the public sector to improve

## Our vision



Fully exploiting our unique perspective, expertise and depth of insight



Strengthening our position as an authoritative, trusted and independent voice



Increasing our visibility, influence, and relevance



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

## Our areas of focus



A strategic, dynamic, and high-quality audit programme



A targeted and impactful approach to communications and influencing



A culture and operating model that enables us to thrive

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

# Financial audit work

## 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 their proper preparation in accordance with accounting and legal 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 Isle of Anglesey County Council (the Council) I also have responsibility for:

- 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.

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

## 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 and non-domestic rates.

## Financial statements materiality

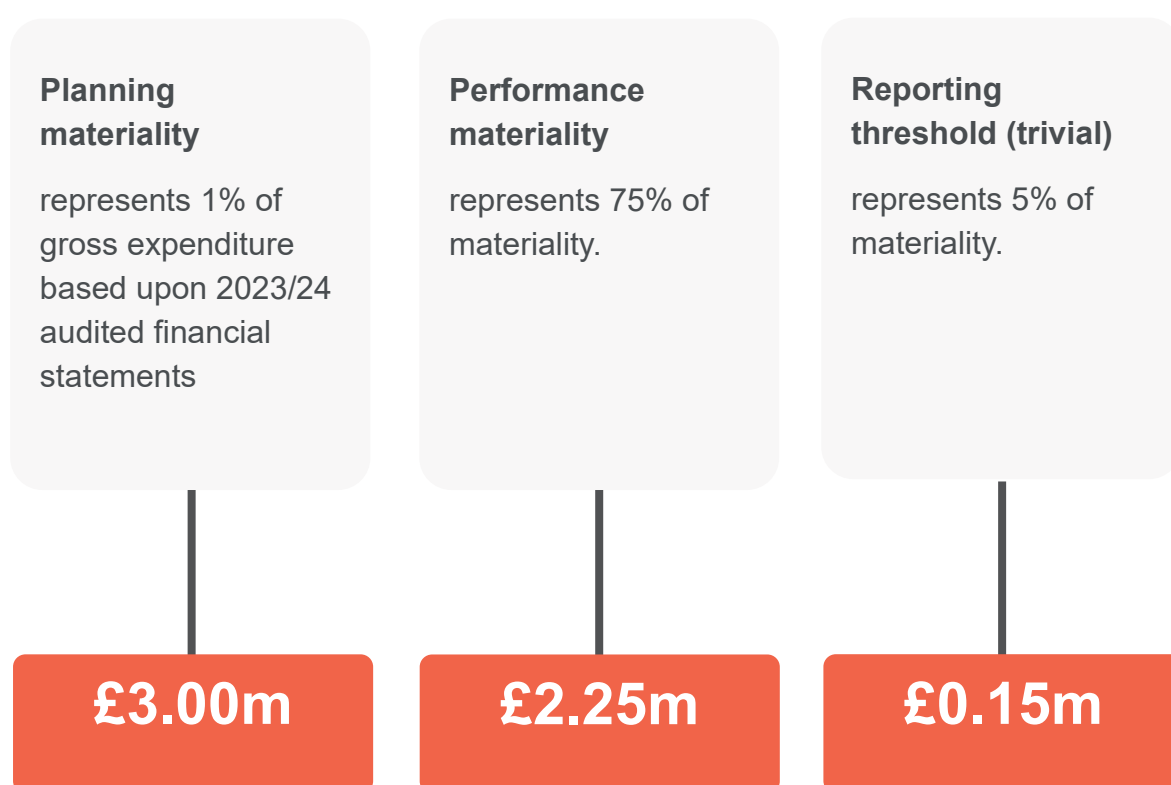
I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material and correct misstatements, that is, those that might result in a reader of the accounts being misled. Materiality applies not only to financial misstatements, but also to disclosure requirements and adherence to the applicable accounting framework and law.

I set planning and performance materiality to:

- determine the level of misstatement that could cause the user of the accounts to be misled;

- assist in the scoping of our audit approach and resultant audit tests;
- determine sample sizes;
- assess the effect of known and likely misstatements in the financial statements; and
- report to those charged with governance any unadjusted misstatements above a trivial level, our reporting threshold.

The levels at which I judge such misstatements to be material is set out below.



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:

<b>Remuneration report</b> £1,000	<b>Related party disclosures</b> £10,000 (Individuals) £3.0 million (Other bodies)
--------------------------------------	--

My audit team will assess materiality levels throughout the audit.

## 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 International Standard on Auditing (ISAs). The ISAs require us to focus more attention on these significant risks.

### Risk of management override

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].

#### Our planned response

My audit team will:

- test the appropriateness of journal entries and other adjustments made in preparing the financial statements;
- review accounting estimates for bias; and
- evaluate the rationale for any significant transactions outside the normal course of business.

## Other areas of focus

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

### Valuation of pension fund net liability/surplus

The Local Government Pension scheme (LGPS) and pension fund liability as reflected in the financial statements are material estimates.

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.

The impact of economic conditions, particularly interest rate levels also has a significant impact on the liability at 31 March 2024 for example, the liability was in fact a surplus, primarily due to higher interest rates.



There are also several legal cases potentially impacting on the valuation of the net liability.

There is a risk therefore that the liability/surplus is materially misstated.

### **Our planned response**

My audit team will:

- 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 Council 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.

### **Valuation of land and buildings**

The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates.

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.

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 recognised in the accounts could be materially different to the current value of assets as at 31 March 2025, particularly in the current economic environment.

### **Our planned response**

My audit team will:

- 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.

## **Implementation of International Accounting Standard (IFRS) 16 - Leases**

Local Government bodies are required to adopt IFRS16 Leases from 1 April 2024.

This significantly changes the accounting treatment and disclosures required for leased assets and means that most leases will result in an asset and liability on balance sheets.

There is a risk that the requirements of the IFRS are not appropriately adopted and as a result the financial statements are materially misstated.

### **Our planned response**

My audit team will:

- review the Council's working papers to ensure that all leases falling within the scope of the Standard have been included in calculations;
- test a sample of asset and liability calculations to ensure that the assumptions are reasonable, and the calculations have been correctly prepared; and
- confirm that asset and liability values have been correctly accounted for and disclosed in the financial statements.

## **Audit risk Impact of Renting Homes (Wales) Act 2016 - Electrical Safety Certificates**

In November 2024, the High Court clarified the requirements of the Renting Homes (Wales) Act 2016 and the associated regulations concerning landlord obligations relating to completion of electrical inspection safety reviews and reports.

This has potential implications for bodies and their financial statements and is likely to be subject to further legal considerations and challenge.

### **Our planned response**

My audit team will:

- review the latest position before sign-off of the financial statements; and
- ensure if there is an impact on the financial statements, this is appropriately recognised and/or disclosed.

## **Related party disclosures**

The financial statements must disclose any related party relationships along with the transactions and balances between the Council and the other party.

The Council has many relationships that could be considered a related party. Many are well known for example, Welsh Government as funder.

However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature.

There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value.

### **Our planned response**

My audit team will:

- review the Council's process for identifying related party relationships and associated transactions and balances;

- undertake procedures to confirm the completeness of related party relationships; and
- ensure disclosures are complete, accurate, consistent with evidence and are in accordance with the Local Government Code.

### **Isle of Anglesey Freeport**

Porthladd Rhydd Ynys Môn (the Freeport) was incorporated during the 2024-25 financial year. The Council's Chief Executive Officer is currently the only director in post which means a group relationship between the Council and the Freeport may exist. If a group relationship exists, the Council will need to produce group accounts to incorporate the results of the Freeport.

#### **Our planned response**

- review the Council's assessment of whether a group relationship exists to ensure it complies with CIPFA guidance; and
- where applicable, ensure group accounts disclosures are complete, accurate, consistent with evidence and are in accordance with the Local Government Code.

## Financial statements audit timetable

Below is a timetable showing the key stages of the audit and our key audit deliverables that we will provide to you.

### Exhibit 1: Financial statements audit timetable

<b>Planning</b>  <b>January to April 2025</b>	Planning meeting High level risk assessment procedures Fraud risk assessment Accounting estimates planning IT environment risk assessment Indicative audit fee Draft Detailed Audit Plan
<b>Interim</b>  <b>January to April 2025</b>	Information flows Detailed risk assessment procedures Develop testing strategy Early sample testing
<b>Fieldwork</b>  <b>June to September 2025</b>	Update risk assessment Audit of financial statements to include narrative report and annual governance statement IT controls review Complete audit testing Evaluate audit findings
<b>Reporting</b>  <b>October 2025</b>	Audit closure meeting Audit of Accounts Report Recommendations for improvement Present findings to those charged with governance Auditor General certification Annual Audit Summary Post project learning








# Performance audit work

## Proper arrangements

As set out in the Code of Audit Practice, I must satisfy myself that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources ('value for money'), and conclude accordingly.

I do this by undertaking an appropriate programme of performance audit work each year. I base my work programme on an assessment of risks of the Council and the wider Local Government sector in Wales not having the proper arrangements in place, with the work typically focusing on the areas of greatest risk.

In designing the programme, my auditors must have considered corporate and service level arrangements, including:

- |   |   |
|---|---|
|  Strategic planning              |  Asset management      |
|  Financial planning              |  Collaborative working |
|  Performance and risk management |  Overall governance.   |
|  Workforce planning              |   |

My auditors will also have taken account of relevant work that is being undertaken or planned by other audit, regulatory and inspection bodies at the Council.

I conduct my performance audit work using the ISSAI 3000 standard developed by the International Organisation of Supreme Audit Institutions (INTOSAI). INTOSAI 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.

## Well-being of future generations

Section 15 of the Well-being of Future Generations (Wales) Act 2015 (the Act) requires me to carry out examinations of public bodies for the purposes of assessing the extent to which a body has acted in accordance with the sustainable development principle when setting well-being objectives and taking steps to meet those objectives.

The **Sustainable development principle** is defined as 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 do this, they must take account of the '**five ways of working**'.



Long-term



Prevention



Intergration



Collaboration



Involvement

I must carry out these examinations at each public body covered by the Act at least once during a specified period.

These could be stand-alone examinations as part of my performance audit programme. However, where relevant and appropriate to do so, my auditors will integrate the work required into other planned performance audit work for the Council. My auditors will continue to engage closely with the Office of the Future Generations Commissioner for Wales to help coordinate our respective activities.

## Planned performance audit work

I set out below details of my performance audit work.

### **Thematic Work: Responding to workforce pressures in local government**

Local audit work across the 22 principal councils that will look at arrangements to secure appropriate and cost-effective resourcing of their services. This will include how councils are adapting to a changing employment market, and ways of working, when combined with financial constraints.

### **Regional Work: use of data in budget setting for demand led services**

Local audit work across the 6 principal councils in North Wales that will look at arrangements to ensure financial sustainability when setting budgets. This will include how councils are using data to inform the resources required.

### **Local Work: Review of recycling and waste management**

The Councils recycling rates lags behind national targets and the service is relatively high cost per capita when compared to the national average. This increases the risk that proper arrangements for securing economy, efficiency and effectiveness are not in place.

This project will review the Council's recycling and waste management service arrangements, but the exact scope is to be determined.

## Timing of Performance Audit Work

My team will work with officers in the Council to arrange exact timescales for the individual projects and will be communicated regularly through our Governance and Audit Committee update. My auditors aim to substantially complete the performance audit work set out in this plan by the end of June 2026.



## Other 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. The Public Audit (Wales) Act 2004 sets out these responsibilities:

- 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, my auditors will discuss the potential impact on audit fees with the Director of Function (Resources) and Section 151 Officer.

## Audit fee

In January 2025 we published our [2025-26 Fee Scheme](#) following approval by the Senedd Finance Committee which details the average increase to fee rates of 1.7%.

The actual fee that any individual audited body will pay depends not just on our fee rates but on the quantum of work and the skill mix required.

In 2022-23 you will recall that we implemented a fundamentally different audit approach for our financial audit work, required by new international auditing standards. This required a richer, more costly skill mix that was reflected in higher fees. We have now reviewed the implementation of this new audit approach and identified efficiencies which allowed to provide a refund for the 2023-24 audit and maintain a lower fee estimate for the audit of the 2024-25 financial statements.

The average fee increase has been applied as an estimate to the other areas of my audit work.

**Your estimated total audit fee: £429,745**

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 my auditors first discussing them with the Director of Function (Resources) and Section 151 Officer. **Exhibit 2** sets out a further breakdown of your estimated audit fee.

**I base my audit fee 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.
- The audit requirements of my individual performance audit projects are met by the Council, or suitable alternative arrangements are put in place that satisfy the needs of my audit team.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

## Exhibit 2: Breakdown of my estimated audit fee for 2025 (and 2024 for comparison)

### Estimated fee for 2025 (£)<sup>1</sup>

Audit of financial statements <sup>2</sup>	Performance audit work <sup>3</sup>	Grant certification work <sup>4</sup>
£236,026	£117,444	£76,275
Total fee: £429,745		

### Actual fee for 2024 (£)

Audit of financial statements	Performance audit work	Grant certification work
£234,354	£97,481 <sup>5</sup>	£75,000 <sup>6</sup>
Total fee: £406,835		

<sup>1</sup> The fees shown in this document are exclusive of VAT.

<sup>2</sup> Payable November 2024 to October 2025

<sup>3</sup> Payable April 2025 to March 2026.

<sup>4</sup> Payable as work is undertaken.

<sup>5</sup> Work is ongoing and therefore this is the latest available estimate, the original fee was £115,481.

<sup>6</sup> The grant certification fee remains an estimate as the audit of the 2023-24 Housing Benefit Subsidy is ongoing.

## Audit team

My audit team will continue to work and engage remotely using technology, but some on-site audit work will continue where it is appropriate to do so.

Indeed, my audit team who were onsite during the audit of accounts work last year found the close proximity to officers a more efficient way of working, and officers have fed back positively on their experiences.

Audited bodies have a responsibility to ensure the safety and wellbeing of Audit Wales staff when they are on your premises.

The main members of my team, together with their contact details, are summarised in **Exhibit 3**.

### Exhibit 3: My local audit team

<b>Engagement Director</b>	Matthew Edwards <a href="mailto:matthew.edwards@audit.wales">matthew.edwards@audit.wales</a>	
	<b>Financial Audit</b>	<b>Performance Audit</b>
<b>Engagement Lead</b>	Matthew Edwards <a href="mailto:matthew.edwards@audit.wales">matthew.edwards@audit.wales</a>	Gary Emery <a href="mailto:gary.emery@audit.wales">gary.emery@audit.wales</a>
<b>Audit Manager</b>	Rachel Freitag <a href="mailto:rachel.freitag@audit.wales">rachel.freitag@audit.wales</a>	Carwyn Rees <a href="mailto:carwyn.rees@audit.wales">carwyn.rees@audit.wales</a>
<b>Audit lead</b>	David Tomalin <a href="mailto:david.tomalin@audit.wales">david.tomalin@audit.wales</a>	Alan Hughes <a href="mailto:alan.hughes@audit.wales">alan.hughes@audit.wales</a>

I can confirm that my team members are all independent of the Council and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

# 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 the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



## Our People

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



## Arrangements for achieving audit quality Selection of right team

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



## Independent assurance

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

## Supporting you

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

Visit our [website](#) to find:



Our [publications](#) which cover our audit work at public bodies.



Information on our upcoming work and forward work programme for [performance audit](#).



[Data tools](#) to help you better understand public spending trends



Details of our [Good Practice](#) work and events including the sharing of emerging practice and insights from our audit work.



Our [newsletter](#) which provides you with regular updates on our public service audit work, good practice, and events.



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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	26 June 2025
Subject	Review of Forward Work Programme for 2025-26 v2
Head of Service	Marc Jones Director of Function (Resources) and Section 151 Officer <a href="mailto:MarcJones@anglesey.gov.wales">MarcJones@anglesey.gov.wales</a>
Report Author	Marion Pryor Head of Audit and Risk <a href="mailto:MarionPryor@anglesey.gov.wales">MarionPryor@anglesey.gov.wales</a>
<b>Nature and Reason for Reporting</b> A Forward Work Programme for 2025-26 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 development 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 2025-26 meets the Committee's responsibilities in accordance with its terms of reference.

## Appendix A – Forward Work Programme 2025-26 v2

Core Function	26 June 2025	16 July 2025	30 September 2025	October 2025 <sup>1</sup>	4 December 2025	3 February 2026	April/May 2026
Composition and arrangements (3.4.8.2)							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 2025-26 v2 (3.4.8.3.2)  Annual Chair's Report 2024-25 (3.4.8.3.1/2)	Action Log  Review of Forward Work Programme 2025-26 (3.4.8.3.2)	Action Log  Review of Forward Work Programme 2025-26 (3.4.8.3.2)		Action Log  Review of Forward Work Programme 2025-26 (3.4.8.3.2)	Action Log  Review of Forward Work Programme 2025-26 (3.4.8.3.2)	Action Log  Review of Forward Work Programme 2026-27 (3.4.8.3.2)
Governance (3.4.8.4)	Annual Scrutiny Report 2024-25 (3.4.8.4.4)	Draft Annual Governance Statement 2024-25 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) (3.4.8.8.2)		Final Annual Governance Statement 2024-25 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3) (3.4.8.8.2)			

<sup>1</sup> Special meeting for Statement of Accounts

Core Function	26 June 2025	16 July 2025	30 September 2025	October 2025 <sup>1</sup>	4 December 2025	3 February 2026	April/May 2026
Treasury Management (3.4.8.5)			Annual Report 2024-25 (3.4.8.5.1/2/3/4)		Mid-year Report (3.4.8.5.3)	Strategy and Prudential Indicators 2026-27 (3.4.8.5.1/3/4)	
Value for money (3.4.8.6)	<i>Annual Internal Audit Report 2024-25 (3.4.8.10.6/7/8/9/12/14/15) (3.4.8.6.3)</i>	<i>Draft Annual Governance Statement 2024-25 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3)</i>  <i>Draft Statement of Accounts 2024-25 (3.4.8.12.1/2) (3.4.8.6.1/2/3)</i>		<i>Final Annual Governance Statement 2024-25 (3.4.8.4.1/2/3) (3.4.8.6.1/2/3)</i>  <i>Final Statement of Accounts 2024-25 (3.4.8.12.1/2) (3.4.8.6.1/2/3)</i>  <i>Audit of Accounts Report (3.4.8.11.2/3) (3.4.8.6.3)</i>		<i>Annual Audit Summary 2025 (3.4.8.11.2/3) (3.4.8.6.3)</i>	
Assurance Framework (3.4.8.7)		Annual Information Governance (SIRO) Report 2024-25 (3.4.8.7.1/2/3)	Annual Health & Safety Report 2024-25 (3.4.8.7.1/2/3)		Annual Information Governance in Schools Report 2024-25 (3.4.8.7.1/2/3)  Annual ICT Security Report 2024-25 (3.4.8.7.1/2/3)		
Risk Management (3.4.8.8)			Annual Review of Risk Management Framework (3.4.8.7.1/2)		Managing the Risks of Climate Change and Becoming Net		

Core Function	26 June 2025	16 July 2025	30 September 2025	October 2025 <sup>1</sup>	4 December 2025	3 February 2026	April/May 2026
			(3.4.8.8.1)  Strategic Risk Register Update (3.4.8.7.1/2) (3.4.8.8.1)		Zero Update (3.4.8.8.3)		
Countering Fraud and Corruption (3.4.8.9)		<i>Annual Concerns, Complaints &amp; Whistleblowing Report 2024-25</i> (3.4.8.9.1) (3.4.8.14.2)	Annual Counter Fraud, Bribery and Corruption Report 2024-25 (3.4.8.9.4/5/6)  National Fraud Initiative 2024-26 Outcomes – Progress Report (3.4.8.9.6)				
Internal Audit (3.4.8.10)	Annual Internal Audit Report 2024-25 (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 2024-25 (3.4.8.10.1/8/11/13)	Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3)  Gap analysis of conformance with the Global Internal Audit Standards in the UK Public Sector (3.4.8.10.1/2/8/11/13)	Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3)  Outstanding Issues / Risks / Opportunities (3.4.8.10.9/10)		Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3)	Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3)	Internal Audit Update Report (3.4.8.10.9/10) (3.4.8.6.3)  Outstanding Issues / Risks / Opportunities (3.4.8.10.11)

Core Function	26 June 2025	16 July 2025	30 September 2025	October 2025 <sup>1</sup>	4 December 2025	3 February 2026	April/May 2026
	Internal Audit Strategy and Annual Plan 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)	Annual Audit Plan 2025 (3.4.8.11.1/3)		Work Programme and Timetable – Quarterly Update (Q1 2025) (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 (Q2 2025) (3.4.8.11.2/3)	Work Programme and Timetable – Quarterly Update (Q3 2025) (3.4.8.11.2/3)  Annual Audit Summary 2025 (3.4.8.11.1/2/3) (3.4.8.6.3)	Work Programme and Timetable – Quarterly Update (Q4 2025) (3.4.8.11.2/3)
Financial Reporting (3.4.8.12)		Draft Statement of Accounts 2024-25 (3.4.8.12.1/2/3/5) (3.4.8.6.1/2/3)		Final Statement of Accounts 2024-25 (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 Recommendation (3.4.8.11.3) (3.4.8.13.1)		

Core Function	26 June 2025	16 July 2025	30 September 2025	October 2025 <sup>1</sup>	4 December 2025	3 February 2026	April/May 2026
Complaints Handling (3.4.8.14)		Annual Concerns, Complaints & Whistleblowing Report 2024-25 (3.4.8.14.1/2)			Annual Letter of the Public Services Ombudsman for Wales 2024-25 (3.4.8.14.1)		
Self-assessment (3.4.8.15)		Review of the Draft Annual Corporate Self-assessment report 2024-5 (3.4.8.15.1/2/3)					
Panel Performance Assessment (3.4.8.16) <sup>2</sup>		Themes for the Panel Performance Assessment to consider (3.4.8.16.1)					
Auditor General Special Inspection (3.4.8.17) <sup>3</sup>							

<sup>2</sup> 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.

<sup>3</sup> 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 – Development Programme (3.4.8.2.10)

### Committee-specific training

Area	Date last provided	Medium	Provider	Date provided / scheduled	Attendance
Introduction to Artificial Intelligence and Risk Mitigation	Not applicable	Briefing Session	Mathew Henshaw, Chief Digital Officer	11/02/25	
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	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

## Committee-specific briefings

Title	Area	Medium	Provider	Date Provided
Audit Committee Update – Issue 40: New Internal Audit Standards	Forthcoming <a href="#">changes</a> to the internal audit standards and how that will impact on audit committee members.	Briefing Note	CIPFA	24/12/24
CIPFA Better Governance Newsletter	Information for audit committees regarding the publication of the CIPFA Code of Practice to support authorities in establishing and maintaining their internal audit arrangements, along with information about the consultation on the Addendum to the 2016 Governance Framework covering the annual review of governance and the annual governance statement.	Newsletter	CIPFA	07/02/25
Audit Committees: effective practices and a positive impact pocket guide	Audit Wales has published a <a href="#">pocket guide</a> which summarises effective practices for audit committees.	Pocket guide	Audit Wales	25/02/25
Audit Committee Update – Issue 42: Governance of Internal Audit	The new <a href="#">Code of Practice</a> on the Governance of Internal Audit that comes into effect from 1 April 2025.	Briefing Note	CIPFA	17/04/25
CIPFA Public Finance Article – AI adoption ‘could save English and Welsh councils £8bn a year’	<a href="#">Article</a> which estimates that local authorities in England and Wales could save £8bn annually by integrating artificial intelligence into their operations.	Professional Magazine Article	CIPFA	15/05/25
CIPFA / Solace Delivering Good Governance in Local Government: Publication of Addendum	Publication of new <a href="#">guidance</a> on the annual review of governance and internal controls and the preparation of the annual governance statement (AGS) that comes into effect for the 2025-26 financial year.	Publication	CIPFA	20/05/25